

# The Nature and Impact of Service Employees' Innovative Behaviour; a personal-interactive services perspective

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## DECLARATION

No portion of the work referred to in this thesis has been submitted in support of an application for another degree or qualification of this or any other university or other institute of learning.

Signed: .... *Farag Edghiem*.....

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## DEDICATION

*It is with my warmest affection and utmost gratitude that I dedicate this thesis to:*

*My parents who encouraged me with all means throughout my research*

*To my wife and my three children who gave me joy and endless support*

*To my colleagues and friends who inspired this research*



## TABLE OF CONTENTS

ABSTRACT .....	1
1. Chapter One: Introduction .....	2
1.1. Study Background .....	2
1.1.1. Service Innovation .....	4
1.1.2. Service Employees' Innovative Behaviour and the Research Gap.....	7
1.2. Statement of Research Problem .....	9
1.3. Research Aim .....	9
1.4. Research Questions .....	9
1.5. Research Methodology.....	10
1.6. Thesis Structure.....	11
2. Chapter Two: Literature Review .....	13
2.1. Introduction .....	13
2.2. Servitization and Service Dominant SD Logic.....	13
2.3. Classification of Services.....	19
2.4. Rethinking/Re-establishing Tenets of Service Innovation.....	22
2.5. Employee-Driven Service Innovation .....	32
2.6. Management Coordination and Control .....	41
2.7. Motivation.....	44
2.8. Concluding Remarks .....	49
3. Chapter Three: Research Methodology and Design.....	51
3.1. Introduction .....	51
3.2. Research Methodology and Philosophical Stance.....	51
3.3. Design of Research Strategy and Methods .....	57
3.3.1. Definition of Research Questions .....	59
3.3.2. Unit of Analysis .....	63
3.3.3. Conceptual Framework.....	64
3.3.4. Selection of Case Studies.....	66
3.3.5. Respondents' Selection .....	71
3.3.6. Data Collection Methods.....	72
3.3.7. Implementation of Fieldwork.....	74
3.3.8. Strategy of Data Analysis .....	75
3.4. Validity of Findings.....	78
3.5. Ethical and Confidentiality Considerations.....	80
3.6. Concluding Remarks .....	81
4. Chapter Four: Contexts of Case Studies.....	83

4.1. Introduction .....	83
4.2. Contextual Background .....	83
4.2.1. Regional Innovation Profile.....	83
4.2.2. PESTLE Environment.....	84
4.2.2.1. Portuguese Republic.....	84
4.2.2.2. Czech Republic.....	86
4.2.2.3. United Kingdom.....	89
4.2.2. Company Background .....	91
4.3. Management Structure .....	92
4.3.1. Andromeda Hotel Lisbon .....	92
4.3.2. Mizar Prague Hotel .....	93
4.3.3. Andromeda Hotel London.....	94
4.4. Physical Structure.....	96
4.4.1. Andromeda Hotel Lisbon .....	96
4.4.2. Mizar Prague Hotel .....	97
4.4.3. Andromeda Hotel London.....	98
4.5. Concluding Remarks .....	99
5. Chapter Five: Presentation of Research Data .....	101
5.1. Introduction .....	101
5.2. Attitudes towards Innovation Conduct.....	101
5.2.1. Andromeda Hotel Lisbon .....	102
5.2.2. Mizar Prague Hotel .....	104
5.2.3. Andromeda Hotel London.....	106
5.3. Mandatory Conduct .....	108
5.3.1. Frontline Interaction .....	108
5.3.1.1. Andromeda Hotel Lisbon .....	109
5.3.1.2. Mizar Prague Hotel .....	111
5.3.1.3. Andromeda Hotel London.....	114
5.3.2. Mandatory Idea Generation.....	116
5.3.2.1. Andromeda Hotel Lisbon .....	116
5.3.2.2. Mizar Prague Hotel .....	119
5.3.3.3. Andromeda Hotel London.....	121
5.4. Quasi-Mandatory Conduct.....	125
5.4.1. Idea Moderation .....	125
5.4.1.1. Andromeda Hotel Lisbon .....	125
5.4.1.2. Mizar Prague Hotel .....	127
5.4.1.3. Andromeda Hotel London.....	130

5.4.2. Proactive Idea Initiation .....	133
5.4.2.1. Andromeda Hotel Lisbon .....	133
5.4.2.2. Mizar Prague Hotel .....	136
5.4.2.3. Andromeda Hotel London .....	138
5.5. Voluntary Conduct .....	140
5.5.1. Idea Search and Association .....	140
5.5.1.1. Andromeda Hotel Lisbon .....	141
5.5.1.2. Mizar Prague Hotel .....	142
5.5.1.3. Andromeda Hotel London .....	144
5.5.2. Persuasion .....	146
5.5.2.1. Andromeda Hotel Lisbon .....	147
5.5.2.2. Mizar Prague Hotel .....	149
5.5.2.3. Andromeda Hotel London .....	151
5.6. Determining Factors .....	153
5.6.1. Management Procedures .....	153
5.6.1.1. Andromeda Hotel Lisbon .....	153
5.6.1.2. Mizar Prague Hotel .....	156
5.6.1.3. Andromeda Hotel London .....	159
5.6.2. Motivation .....	163
5.6.2.1. Andromeda Hotel Lisbon .....	163
5.6.2.2. Mizar Prague Hotel .....	165
5.6.2.3. Andromeda Hotel London .....	168
5.7. Micro Cases .....	172
5.7.1. Micro Case 1: Energy Efficient Hotel .....	172
5.7.2. Micro Case 2: Angolan Market Development .....	173
5.7.3. Micro Case 3: Monthly Cultural Agenda .....	174
5.7.4. Micro Case 4: Restaurants/Lobby Refurbishment .....	175
5.7.5. Micro Case 5: Private Sauna .....	176
5.7.6. Micro Case 6: Non-Smoking Lobby/Restaurants .....	177
5.7.7. Micro Case 7: Digital Menu .....	178
5.7.8. Micro Case 8: Children's Welcoming Gesture .....	179
5.7.9. Micro Case 9: Automated Accounting Template .....	180
5.8. Concluding Remarks .....	181
6. Chapter Six: Discussion of Research Findings .....	182
6.1. Introduction .....	182
6.2. Objective One: <i>To analyse and critique the literature relevant to service employees' innovative behaviour</i> .....	182

6.3. Objective Two: <i>To evaluate the nature and impact of service employees' innovative behaviour</i> .....	187
6.4. Objective Three: <i>To determine and evaluate the influence of contextual factors affecting service employees' innovative behaviour</i> .....	191
6.5. Objective Four: <i>To compare and contrast between employees' innovative behaviour and the impact of contextual factors within the three researched case studies</i> .....	194
6.5.1. Attitudes towards Innovation Conduct.....	194
6.5.2. Frontline Interaction .....	195
6.5.3. Mandatory Idea Generation .....	196
6.5.4. Idea Moderation .....	198
6.5.5. Proactive Idea Initiation .....	200
6.5.6. Idea Search and Association .....	201
6.5.7. Persuasion .....	202
6.5.8. Management Procedures .....	204
6.5.9. Motivation.....	207
6.6. Concluding Remarks .....	210
7. Chapter Seven: Conclusion and Recommendations .....	211
7.1. Introduction .....	211
7.2. Research Findings.....	211
7.2.1. Question 1: <i>How does the previous literature underpin service employees' innovative behaviour, with a particular focus on the synthesis perspective?</i> .....	211
7.2.2. Question 2: <i>In consideration of the degree of formality, what is the nature and impact of employees' innovative behaviour and how does it contribute to service innovation?</i> .....	213
7.2.3. Question 3: <i>What is the impact of management procedures and motivation as contextual determining influencers of service employees' innovative behaviour?</i> .....	215
7.3. Contribution to Knowledge .....	217
7.3.1. Theoretical Contribution.....	217
7.3.2. Practical Contribution and Management Recommendations .....	225
7.3.2.1. Promotion of Management Objectives/Values .....	225
7.3.2.2. Practice-based idea generation .....	226
7.3.2.3. Redesign of Motivation Systems .....	227
7.4. Research Limitations .....	228
7.5. Recommendations for Future Research .....	229
7.6. Thesis Chapters' Summary .....	231
REFERENCES .....	233
APPENDICES .....	257-316

## LIST OF TABLES

Table 1. 1: Service Sector GDP .....	2
Table 2. 1: Transition Line from Products to Services.....	15
Table 2. 2: Existing Synonymous Concepts to Integrated Product Service .....	17
Table 2. 3: Services Taxonomy.....	20
Table 2. 4: Taxonomy of Innovation Trajectories .....	20
Table 2. 5: Key Innovation Targets in the Hospitality Industry .....	21
Table 2. 6: Service Innovation Categories .....	24
Table 2. 7: Service Innovation Determinants .....	28
Table 2. 8: Definitions of Innovative Work Behaviour .....	36
Table 2. 9: Studies Highlighting Employees' Role in Service Innovation .....	37
Table 2. 10: Motivation Theories and Perspectives .....	45
Table 2. 11: Expectancy Theory Equation Aspects .....	48
Table 2. 12: Job Enrichment Theory Motivating Factors.....	49
Table 3. 1: Four Ontological Orientations.....	54
Table 3. 2: Basic Beliefs of Alternative Paradigms .....	56
Table 3. 3: Determinants of Research Methods.....	57
Table 3. 4: Case Study Research Progress Framework.....	59
Table 3. 5: Pre-defined and Context Developed Research Questions .....	60
Table 3. 6: Five Scorecard Indicators of Service Innovation .....	68
Table 3. 7: Information-Oriented Strategies for Case Study Sampling.....	69
Table 3. 8: Sources of Evidence .....	74
Table 3. 9: Data Analysis Stages.....	76
Table 3. 10: Validity Assessment Measures .....	79
Table 4. 1: Restaurants and Lounge Bars in Andromeda Hotel Lisbon.....	97
Table 4. 2: Restaurant and Cafes in Mizar Prague Hotel.....	98
Table 4. 3: Restaurants and Cafe Bars in Andromeda Hotel London) .....	99

Table 4. 4: Cases Key Similarities and Differences .....	100
Table 5. 1: Innovations Developed through Employee–Guest Interaction, Andromeda Hotel Lisbon ....	110
Table 5. 2: Innovations Developed through Employee–Guest Interaction, Mizar Prague Hotel.....	113
Table 5. 3: Innovations Developed through Employee–Guest Interaction, Andromeda Hotel London...	115
Table 5. 4: Examples of Mandatory Idea Generation; Andromeda Hotel Lisbon .....	119
Table 5. 5: Examples of Mandatory Idea Generation; Mizar Prague Hotel.....	121
Table 5. 6: Examples of Mandatory Idea Generation; Andromeda Hotel London.....	124
Table 5. 7: Three Forms of Idea Moderation Behaviour; Andromeda Hotel Lisbon .....	126
Table 5. 8: Respondents' Views on Idea Moderation Behaviour; Mizar Prague Hotel.....	128
Table 5. 9: Three Forms of Idea Moderation Behaviour; Mizar Prague Hotel .....	129
Table 5. 10: Respondents' Views on Idea Moderation Behaviour; Andromeda Hotel London .....	131
Table 5. 11: Three Forms of Idea Moderation Behaviour; Andromeda Hotel London.....	132
Table 5. 12: Examples of Proactive Idea Initiation; Andromeda Hotel Lisbon .....	135
Table 5. 13: Examples of Proactive Idea Initiation; Mizar Prague Hotel.....	137
Table 5. 14: Examples of Proactive Idea Initiation; Andromeda Hotel London .....	139
Table 5. 15: Examples of Idea Search Behaviour, Andromeda Hotel Lisbon.....	141
Table 5. 16: Examples of Idea Search Behaviour, Mizar Prague Hotel.....	143
Table 5. 17: Examples of Idea Search Behaviour, Andromeda Hotel London .....	145
Table 5. 18: Andromeda Hotel Lisbon Staff Meetings .....	154
Table 5. 19: Examples of Ideas Developed through Brainstorming; Andromeda Hotel Lisbon .....	154
Table 5. 20: Mizar Prague Hotel Staff Meetings.....	157
Table 5. 21: Examples of Ideas Developed through Brainstorming; Mizar Prague Hotel.....	158
Table 5. 22: Andromeda Hotel London Staff Meetings .....	160
Table 5. 23: Examples of Ideas Developed through Brainstorming; Andromeda Hotel London.....	161
Table 5. 24: Innovative Behaviour Patterns, Energy Efficient Hotel.....	172
Table 5. 25: Determining Factors, Energy Efficient Hotel.....	173
Table 5. 26: Innovative Behaviour Patterns, Angolan Market Development.....	173
Table 5. 27: Determining Factors, Angolan Market Development.....	174

Table 5. 28: Innovative Behaviour Patterns, Monthly Cultural Agenda .....	174
Table 5. 29: Determining Factors, Monthly Cultural Agenda.....	175
Table 5. 30: Innovative Behaviour Patterns, Restaurants/Lobby Refurbishment.....	175
Table 5. 31: Determining Factors, Restaurants/Lobby Refurbishment.....	176
Table 5. 32: Innovative Behaviour Patterns, Private Sauna .....	176
Table 5. 33: Determining Factors, Private Sauna .....	177
Table 5. 34: Innovative Behaviour Patterns, Non-Smoking Lobby/Restaurants .....	177
Table 5. 35: Determining Factors, Non-Smoking Lobby/Restaurants.....	178
Table 5. 36: Innovative Behaviour Patterns, Digital Menu .....	178
Table 5. 37: Determining Factors, Digital Menu .....	179
Table 5. 38: Innovative Behaviour Patterns, Children's Welcoming Gesture .....	179
Table 5. 39: Determining Factors, Children's Welcoming Gesture.....	180
Table 5. 40: Innovative Behaviour Patterns, Automated Accounting Template .....	180
Table 5. 41: Determining Factors, Automated Accounting Template.....	181
Table 6. 1: Respondents' Perceptions of Innovation and Innovative Behaviour .....	186
Table 6. 2: Innovations Initiated through Individual Innovative Behaviour .....	190
Table 6. 3: Purposes of Proactive Idea Initiation Conduct.....	200
Table 6. 4: Intrinsic Motivating and De-motivating Factors.....	209
Table 7. 1: Research Findings' Position to Previous Relevant Literature.....	224
Table 7. 2: Suggested Practical Measures to Nurture Idea Generation .....	226
Table 7. 3: Suggested Measures to Redesign Motivation Systems.....	228

## LIST OF FIGURES

Figure 1. 1: Research Theoretical Focus .....	7
Figure 2. 1: Typology of Services .....	22
Figure 2. 2: Dimensions of Service Innovation and Production .....	25
Figure 2. 3: Multidimensional Framework of Service .....	26
Figure 2. 4: Strategic Model of Service Innovation .....	29
Figure 2. 5: Dichotomy of service Encounter-Based Innovation .....	34
Figure 2. 6: Research Theoretical Framework .....	50
Figure 3. 1: Researcher's Worldview.....	52
Figure 3. 2: Interactive Research Design Model .....	62
Figure 3. 3: The Service System Framework .....	64
Figure 3. 4: Initial Conceptual Framework of Researcher's Ideology .....	65
Figure 3. 5: Conceptual Framework of Research Findings.....	66
Figure 3. 6: Adopted Qualitative Data Analysis Strategy .....	78
Figure 3. 7: Applied Triangulation Methods.....	80
Figure 3. 8: Research Methodology Development .....	82
Figure 4. 1: EU Service Innovation Regional Performance Map .....	84
Figure 4. 2: Executive Committee, Andromeda Hotel Lisbon .....	92
Figure 4. 3: Executive Committee, Mizar Prague Hotel .....	94
Figure 4. 4: Executive Committee, Andromeda Hotel London.....	95
Figure 5. 1: Design of Analysis Framework.....	101
Figure 5. 2: Classic Development of Idea throughout Management Levels .....	147
Figure 5. 3: Service Employees' Innovative Behaviour Patterns .....	181
Figure 6. 1: Examples of Innovative Behaviour Patterns Combined .....	188
Figure 6. 2: Replication of the Strategic Innovation Model.....	189
Figure 7. 1: The Moderate Position of Innovation in the Hotel Sector .....	219
Figure 7. 2: Service Encounter-Based Innovation Organisational Conditions .....	222



## LIST OF APPENDICES

Appendix 1: Research Information Sheet.....	258
Appendix 2: Email Response from Professor Faïz Gallouj .....	260
Appendix 3: List of Participating Interviewees.....	261
Appendix 4: Initial Interview Data Organisation .....	264
Appendix 5: Categories of Data Analysis .....	265
Appendix 6: Participant Email Copy .....	266
Appendix 7: Andromeda Hotels Confidentiality Agreement .....	267
Appendix 8: Participant Information Sheet.....	270
Appendix 9: Participant Consent Form.....	272
Appendix 10: Management Systems of Practice SOPs .....	274
Appendix 11: Market Metrix Results.....	276
Appendix 12: Thematic Terrace Lounge .....	277
Appendix 13: Corporate Values.....	278
Appendix 14: Prague City Map.....	279
Appendix 15: GoConcierge .....	280
Appendix 16: Guest Comments Card.....	281
Appendix 17: Frontline Interaction SOPs .....	282
Appendix 18: Concierge Book .....	283
Appendix 19: Name Memorising Techniques.....	284
Appendix 20: Pop up Restaurant.....	285
Appendix 21: Daily News.....	287
Appendix 22: Idea Box.....	288
Appendix 23: Food and Beverage Suppliers Showcase .....	289
Appendix 24: Exit Interview Form.....	290
Appendix 25: Excel Accounting Template.....	294
Appendix 26: Automated Accounting Template .....	295
Appendix 27: Storage Vaults .....	296
Appendix 28: Food and Beverage Flyer.....	297

Appendix 29: Room Service Card .....	298
Appendix 30: Monthly Cultural Agenda .....	299
Appendix 31: Lobby/Restaurants Refurbishment Project .....	302
Appendix 32: Guest Remarks on Opera Software .....	304
Appendix 33: Team Building Events.....	305
Appendix 34: Food and Beverage Monthly Department Meeting .....	306
Appendix 35: Social Club Events .....	307
Appendix 36: Consultative Committee Meeting Minutes.....	308
Appendix 37: Social Committee Events .....	309
Appendix 38: Wall of Fame .....	310
Appendix 39: Employee of the Year Award Nomination .....	311
Appendix 40: Olympians Wall of Fame .....	312
Appendix 41: Energy Efficient Hotel.....	313
Appendix 42: Mizar Prague Hotel Cafe Bar B Smoking Terrace .....	315
Appendix 43: Digital Menu.....	316

## LIST OF ABBREVIATIONS

**ANO:** Action for Dissatisfied Citizens Czech Party.

**CSSD:** Czech Social Democratic Party.

**ERG:** Existence, Relatedness and Growth Motivation Theory.

**ESIC:** European Service Innovation Centre.

**EU:** European Union.

**G8:** Group of Eight.

**GDP:** Gross Domestic Product.

**HACCP:** Hazard Analysis Critical Control Points.

**HODs:** Heads of Departments.

**HR:** Human Resources.

**IIB:** Individual Innovative Behaviour.

**IMF:** International Monetary Fund.

**IT:** Information Technology.

**IWB:** Individual Work Behaviour.

**MNCs:** Multinational Corporations.

**NATO:** North Atlantic Treaty Organisation.

**NSD:** New Service Development.

**NPD:** New Product Development.

**ODS:** Czech Civic Democratic Party.

**OECD:** Organisation for Economic Cooperation and Development.

**R & D:** Research and Development.

**RIS:** Regional Innovation Scoreboard.

**SOP:** System of Practice.

**VIP:** Very Important Person.

**WEI:** Work Environment Inventory.

## NOTES

*Word count: 79,567 (excluding declaration, contents tables, abbreviations list, reading notes, references and appendices)*

*Where text is highlighted in italics it is meant to refer to innovative behaviour patterns, replace apostrophes or highlight literature and interviewees' quotations.*

*Where text is highlighted in bold and italics format it is meant to draw the reader's attention to compare between employees of junior, middle or senior job roles.*

*Where tables or figures are not referenced to any source they would have been developed by the researcher.*

## ABSTRACT

The amount of research on service innovation rapidly increased since the start of the third millennium, likely due to the continuous diversification of manufacturing companies into the service sector and the decline of manufacturing in the traditional industrial western countries compared to the World's emerging economies. Service innovation, furthermore, has received significant attention from academics and practitioners alike and has been increasingly perceived as a means of creating competitive advantage. Arguably, this is due to the growing competition between service companies to reach unconventional levels which led to higher customer expectations of continuous improvement of services.

This study investigated the nature and impact of service employees' innovative behaviour leading to initiating innovation within the sub-sector of personal-interactive services, where the hotel sector was investigated respectively. In doing so, the study also critically reviewed the established literature relevant to service innovation and added further insight to previous research underpinning service employees' role in initiating innovation.

A qualitative case-study research strategy, which compared between three cases, was applied to achieve the objectives of the study. The application of qualitative case-study research allowed closer assessment and observation while the researcher was directly present within the service delivery environment. The combining of qualitative research methods, such as semi-structured interviews, focus groups and direct observation, was applied to congregate evidence of employees' innovative behaviour patterns from multiple perspectives. The expected limitations of the applied research methods are classically associated with qualitative case-study research such as access barriers, high volume of data outcome and also the complications associated with data collection and analysis.

The research findings contributed to the general body of knowledge by highlighting the nature and impact of service employees' innovative behaviour. A novel classification of six innovative behaviour patterns was established under the three main categories of mandatory, quasi-mandatory and voluntary conduct. The research findings further revealed the significant impact of service employees' innovative behaviour in initiating innovation, where 49 out of 70 innovative ideas were realised as innovations through employees' innovative behaviour. The research also added further insight by identifying management procedures and motivation as contextual determinants that enable or inhibit service employees' innovative behaviour.

## 1. Chapter One: Introduction

### 1.1. Study Background

The great 2008 global recession has limited economic growth and prompted World's economies to eagerly explore unconventional realms of opportunities. This phase of economic turmoil marked further collapse of boundaries between manufacturing and service industries with more transition towards service offerings by manufacturing companies to maintain growth. This transition, also known as de-industrialisation, began in World's developed economies since the 1950's; 1950 in the United Kingdom, 1955 in the United States, 1973 in France, 1980 in Japan (Gallouj and Djellal, 2011). Manufacturing industries in developed economies are also encountering increased challenges as a result of eliminating restrictions on know-how and technology transfer to developing countries, despite some reported failures in adapting new technology to developing countries local settings (see for example Saad *et al.*, 2002). In consequence, the service sector already makes around 70% of the World's and most developed economies gross domestic product GDP (see Table 1.1). Eichengreen and Gupta (2013) detected two global growth waves of service sector GDP in relation to *per capita* income from 1990 and 2000 onwards; one wave in countries with relatively low levels of *per capita* GDP and the other wave in countries with higher *per capita* incomes. Eichengreen and Gupta (2013) further ascribed these growth waves to technological advances that allowed services, once produced only locally, to be sourced across countries borders, and supplementing traditional services such as lodging, meal preparation, housecleaning and beauty by modern banking, insurance, computing, communication, and business services.

Country	2010	2011	2012	2013
USA	78	78	78	-
CHINA	43	43	45	46
JAPAN	71	73	73	-
GERMANY	69	69	68	68
FRANCE	79	78	78	78
ITALY	74	74	74	74
UK	79	78	79	79
WORLD	70	69.8	70.2	-

(Table 1. 1: Service Sector % of GDP; the World Bank, 2014)

In this ever severely competitive climate innovation in services continue to rise as a competitive advantage and more frequent as a means of survival. Other dimensions of significance associated with service innovation also emerged in the literature; factors such as contributing to success of business (Avlonitis *et al.*, 2001), acceleration of growth and profitability (Berry *et al.*, 2006), customers attraction and retention and adding shareholders value (Gustafsson and Johnson, 2003) have been substantiated in the literature.

Services have been conventionally perceived as *laggards* within the economy, and very much as dependent on other sectors (Roberts *et al.*, 2000), and it was until the 1990's that services were acknowledged as significant contributors to wealth creating activities (Miles, 1996). But more recently, the amount of research on the service sector has increased in recent years parallel to the significant growth of the service industry; this growth also prompted academics and industry practitioners towards more recognition of the services sector. The literature concerned with services evolved through three distinctive stages, Fisk *et al.* (1993) identified those three stages as; the *crawling out* stage (Before 1980), the *scurrying about* stage (1980-1986) and the *walking erect* Stage (1986-1993 and beyond). While within the first phase of development efforts clearly intensified to differentiate services from tangible products, in the last two phases academic literature mainly focused on issues related to services *quality* and produced influential theoretical models to the service industry such as the GAPS and SERVQUAL models (Fisk, *et al.*, 1993).

It is widely accepted that services are different from tangible *physical* goods, and efforts to define services as a distinctive economic activity emerged as early as in the 1930's (Fisher, 1939; Clark, 1957) characterise services in terms of what they are not rather what they are. For example, Clark (1957) subdivided the economy into three categories, primary, secondary and residual tertiary or service sector. An alternative method to define services is by emphasising that they entail unique features that distinguish them from *industrial* goods; Zeithaml *et al.* (1985) acknowledged that; first, services are largely *intangible* and cannot be touched, transported or stored, and since services are intangible, it is not possible for the customer to examine them before their actual enactment. An expected consequence of this is that service customers may feel a greater amount of risk when purchasing a service than they do when buying a physical good (Fisk *et al.*, 2000). Second, services tend to be *inseparable*; in the way that their production usually cannot be

separated from consumption (Zeithaml *et al.*, 1985). This means that the contribution of the marketer in services should be expanded beyond the traditional realms of *industrial* products marketer (i.e. in distribution and sales) to include the production of the service and its consumption (Orsini, 1987; Fisk *et al.*, 1993).

Third, services are *perishable*, meaning that they are usually consumed at the same time they are produced or they will be wasted, Zeithaml *et al.* (1985) also pointed out that the characteristic of perish-ability is the major source of many of the problems of supply and demand that service marketers face. It is therefore important to synchronize supply and demand through a number of different methods (Berry, 1980; Bitner and Zeithaml, 1987). Fourth, services are highly *heterogeneous* in the sense that, unlike *industrial* products, no one service performance is identical to another. Each service encounter is unique and often highly customised (Zeithaml, *et al.*, 1985), 'The heterogeneity of services requires that considerable emphasis is attached to service providers and the process of provision to ensure quality' (Ennew and Watkins, 1992, p. 205), such as service environments or personnel training.

### 1.1.1. Service Innovation

Earlier attempts to examine innovation and its relationship to economic development can be traced back to the 1930s. Schumpeter (1934) described innovation as the creation and implementation of new combinations related to new products, services, work processes or markets, and ever since innovation has been redefined in many ways and studied from multiple dimensions. Today (January 2015), when typing the word *innovation* into the amazon.com website search engine it comes up with 69,507 publications under the *books* category alone.

The evolution of research sheds light on the role of employees in generating ideas for innovation (Farr and Ford, 1990; Janssen, 2000; De Jong and Den Hartog, 2007). The contribution of *innovative work behaviour* IWB (Axtell *et al.*, 2000; Janssen, 2000; Ramamoorthy *et al.*, 2005; Dorenbosch *et al.*, 2005) or *individual innovative behaviour* IIB (Kleysen and Street, 2001; de Jong and Kemp, 2003) to innovation has been substantiated in diverse ways (i.e. Kleysen and Street, 2001; Janssen, 2000). The focus in this research is on the *generativity* aspect of *employees' innovative behaviour*; generating ideas and solutions for opportunities, generating representations and categories of



opportunities, and generating associations and combinations of ideas (Kleysen and Street, 2001).

In relation to services, innovation has undoubtedly been a central theme of research within academic circles and among industry practitioners. The seminal study of the *self-service economy* (Gershuny, 1978) has drawn considerable attention to the relationship between services and innovation, and by the 1990s the number of publications on service innovation had profoundly increased. Yet, compared with the industrial manufacturing sector there is paucity in the literature concerning the management and organisation of service innovation (Adams *et al.*, 2006; Drejer, 2004; Miles, 2000; Nijssen *et al.*, 2006; Spohrer, 2008; Tidd *et al.*, 2001). The review of the literature on the classification of service innovation up to the start of the third millennium may reveal little evidence of the separation between new services and new tangible products (Alam, 2006). An example of this is the frequent application of the consultancy group Booz, Allen and Hamilton's (1982) new product development categorisation to service innovation (i.e. Avlonitis, 2001; Bowers, 1989). Contingency theory and the related notion of configuration were derived from industrial studies prior to the emergence of large services companies and advances in information technology applications (Tidd and Hull, 2002).

A critical review of the previous literature of service innovation reveals that there has always been a degree of either association or contradiction with innovation management theories developed in the manufacturing sector. It is widely acknowledged that the management of service innovation is frequently compared and contrasted with the management of product innovation (Droege *et al.*, 2009). Conversely, criticism arose against the frequent application of Booz, Allen and Hamilton's (1982) new product development categorisation to services (i.e. in Avlonitis *et al.*, 2001 and Bowers, 1989) and the linear approach of innovation to services.

Attempts to distinguish service innovation from innovation in the manufacturing sector are recognised at an early phase of research as highlighting the implications of services peculiarities on innovation. First, due to the intangibility of the service output, it would become extremely difficult to test new services before introduction (Mohammed and Easingwood, 1993). Second, the factor of heterogeneity related to the new service development NSD process makes it difficult to standardise the service experience and therefore limits the extent to which service innovation can be controlled and managed (De

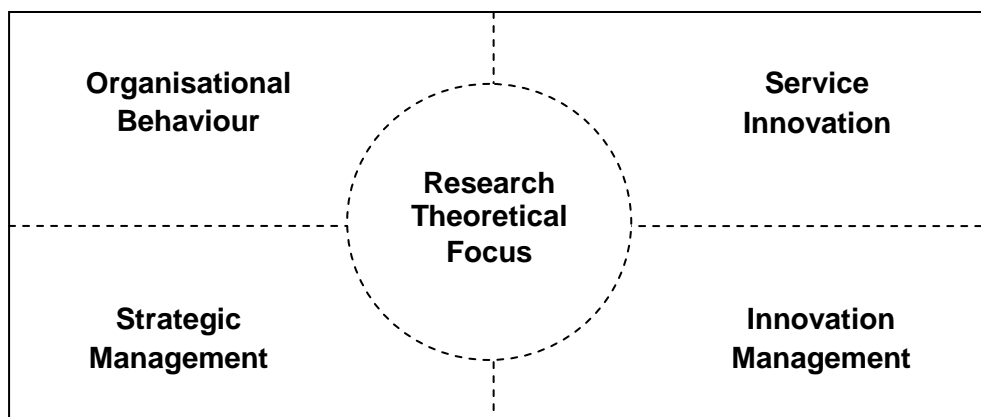
Brentani, 1989). Third, the key role of human resources in the provision of services, services production and innovation significantly depend on the knowledge and skills of the people involved in the process (Gallouj and Weinstein, 1997).

The review of previous literature reveals four main schools of thought representing classic approaches to service innovation research. The first is the *technologist school*; under this perspective service innovation is perceived to be dependent on technological competence gains and development in information technology (Barras, 1986, 1990). The *technologist* approach has been conceptualised as a reversed product life cycle that begins with innovations and subsequently leads to totally new services (Linton and Walsh, 2008). Gallouj (2002) proposed a contrasting critical view by concluding that service innovations are frequently non-technological, such as a new form of insurance policy or developing a new area of legal expertise.

The second school, the *assimilation* perspective, assumes that the theories and concepts developed in manufacturing contexts can easily be transferred to innovation in services (Coombs and Miles, 2000; Drejer, 2004; De Vries, 2006; Nijssen *et al.*, 2006). Advocates of this approach concluded that differences between services and tangible products seemed to be smaller than the services and manufacturing sectors (Sirilli and Evangelista 1998; Hughes and Wood, 1999). Akamavi (2005) criticised the *assimilation* school of thought and claimed that studies developed under this school derive their analytical frameworks from the manufacturing sector without taking into account the idiosyncrasies of services. The synthesis perspective is the third school of thought identified. *Synthesis* studies dedicated more effort to bring together innovation in both services and manufacturing sectors than to study each field separately (Gallouj and Weinstein, 1997; Coombs and Miles, 2000; Nightingdale, 2003; Drejer, 2004; Howells, 2006; Nijssen *et al.*, 2006), and established the important elements of service innovation such as the involvement of customers (Sanden *et al.*, 2006). By reviewing the literature it appears that this approach is preferred by service innovation scholars (i.e. Den Hertog, 2010; Gallouj and Djellal, 2011; Rubalcaba, 2011; Tether, 2005; Windrum, 2009). The fourth school of thought or the *demarcation* perspective focuses on the distinctive features of services that make it difficult to transfer theories from the manufacturing to the services sector (Droege *et al.*, 2009). Den Hertog's (2000) remarkable study within the *demarcation* stream of literature takes a conceptual perspective of service innovation by presenting taxonomy of service innovation patterns and a framework to better understand what parts of services

are affected by innovation.

This study adopts the *synthesis* perspective of service innovation by considering the peculiarities of services, embedded in the high degrees of intangibility and perishability of services delivered within the hospitality sector to be investigated, and equally recognising the applicability of theories developed within the manufacturing sector at the employee's individual level. Figure 1.1 outlines the theoretical frame focus in reviewing the main areas of established relevant literature.



(Figure 1. 1: Research Theoretical Focus)

In another more recent classification of the literature on service innovation, Rubalcaba *et al.* (2012) distinguished between three approaches to service innovation research. The first dimension, or the *sectoral* approach, refers to innovation applied to industries within the service sector. *Activity* dimension is the second approach and incorporates activities related to service innovation, regardless of the sector in where it occurs, and the third approach or the *agent* dimension implies that service innovation is the result of cooperation and coproduction of different actors.

### 1.1.2. Service Employees' Innovative Behaviour and the Research Gap

The role of employees has frequently been emphasised in the service literature and considered as a fundamental element of services (Chebat *et al.*, 2003; Wirtz *et al.*, 2008). For instance, Onsøyen *et al.* (2009, p. 82) refer to the interaction of frontline employees with service customers as the *core activity*. Zeithaml *et al.* (2008) further proposed that frontline service employees are the service, the organisation in its customers' eyes, the

brand and the marketers. Research reveals that frontline employees do not only facilitate the delivery of quality services but also play important roles in marketing the firm, creating satisfied customers, and building customer relationships (Berry, 1999; Gwinner *et al.*, 2005; Hennig-Thurau *et al.*, 2006; Singh, 2000).

In relation to innovation, the role of employees has been also substantiated in management literature, popular theories such as total quality management (Ehigie and Akpan, 2004), continuous improvement schemes (Fuller *et al.*, 2006), corporate venturing (Elfring, 2003), creative problem solving (Basadur, 2004) and organisational learning (Argyris and Schön, 1978; Senge, 1990) typically refer to employees' participation in innovation conduct either directly or indirectly. Likewise, in service innovation literature there has been early consensus on employees' contribution to service innovation only in that there is little agreement on how the relationship between the two is best practically and theoretically comprehended. For example, the study of Sundbo and Gallouj (2000) recognises the important role of professional employees for service innovation *per se* without analysing how those professional employees might initiate service innovation.

When assessing the previous literature, it is apparent that employees' role in service innovation has been studied in variant ways, in terms of creativity, knowledge sharing, frontline employees' participation and motivation. However, there seems to be a strong tendency in the literature towards linking employees' participation in service innovation with creativity, and the literature on creativity and that on *innovative work behaviour* IWB has continued to overlap over time (e.g. Mumford, 2003; McAdam and McClelland, 2002). Yet, the tendency towards linking employees' participation in innovative conduct to creativity has been criticised for (1) being more focused on *early cycle* activities related to idea generation and initiation without similar focus on *late cycle* idea application activities (Mumford, 2003) and (2) for encompassing creative activities as personal attributes and failing to address the complex systems and processes of innovation (Janssen *et al.*, 2004).

Accordingly, this study in investigating service employees' idea generation and development conduct adopts the behavioural perspective of innovation (Janssen, 2000) that recognises *service employees' innovative behaviour* more comprehensively and further looks into its contextual determinants. The review of the previous literature reveals a huge theoretical gap and little or no evidence of previous empirical studies exploring

*service employees' innovative behaviour* in relation to idea generation and development conduct in the hospitality service sector.

## 1.2. Statement of Research Problem

- In recognition of the subjective view of innovation research (Archibugi and Sirilli, 2001) the role of subjects involved in the innovation process (i.e. employees and management) has been widely recognised. Yet, in comparison to the manufacturing industrial sector, less consideration of subjects' involvement and contribution is evident in the literature concerning service innovation.
- The amount of research on service innovation has increased in recent years but there is still little consensus on how to effectively manage innovation in service companies.
- The contribution of service employees to innovation management has been under-researched in comparison with that in the manufacturing industrial sector.
- Despite the clear recognition of the incremental nature of service innovation and employees' role in adapting the service process, there is still little understanding in previous research of how service employees' contribute to innovation.

## 1.3. Research Aim

This study aims to investigate *service employees' innovative behaviour* in relation to the interlinked process of idea generation and development. In relevance to this aim, the following objectives are established:

- To analyse and critique the literature relevant to *service employees' innovative behaviour*.
- To evaluate the nature and impact of *service employees' innovative behaviour*.
- To determine and evaluate the influence of contextual factors affecting *service employees' innovative behaviour*.
- To compare and contrast between employees' *innovative behaviour* and the impact of contextual factors within the three researched case studies.

## 1.4. Research Questions

The overlap between data collection and analysis (Eisenhardt, 1989) frequently result in

the emergence of divergent areas of research and very often to rephrasing the research question in inductive research. Maxwell (2005) advocated for the interactive relationship between the main five components of the research process; the research goals, research questions, conceptual framework, research method and validity that can lead to changes in research orientation or design. Accordingly, the pre-defined research question in this study was tentatively constructed to allow the inquiry to be shifted to divergent themes in alignment with research progression where context related research questions were eventually developed. The initial definition of the research question may also help reduce and organise the overwhelming amount of data generated when applying qualitative methods of research. In essence, this research endeavours to address the following set of pre-defined questions:

*Pre-defined Research Question:*

- *How is innovative behaviour conducted in a personal-interactive service system?*

*Context Developed Research Questions:*

- *How does the previous literature underpin service employees' innovative behaviour, with a particular focus on the synthesis perspective?*
- *In consideration of the degree of formality, what is the nature and impact of employees' innovative behaviour and how does it contribute to service innovation?*
- *What is the impact of management procedures and motivation as contextual determining influencers of service employees' innovative behaviour?*

## **1.5. Research Methodology**

The scope and nature of the research inquiry determined the choice of research methodology and methods applied to achieve the research objectives; an interpretive social constructionist approach was adopted in this research due to the paucity of empirical evidence where it would be difficult to deductively assess the validity of any set of existing variables that have not been previously established. In accordance, the application of qualitative case study research was based on four determinants. *One* and in relevance to the research questions, the exploration of how *service employees' innovative behaviour* is conducted and the implications of contextual determinant factors entail investigating subjective details of innovative behaviour patterns that require closer in-

depth assessment. Secondly, due the fact that the research area is empirically under-explored, and that the type of enquiry requires direct observation and interaction (Ghauri, 2004).

The potential advantages of applying a case study research largely include: the large theoretical and practical relevance to the research subject, the thoroughness of analysis and interpretation, and the ability to triangulate research methods (Scapens, 1990; Silverman, 1985; Spicer, 1992; Yin, 1994). In contrast, case study research may also entail some limitations including, (1) the inability to provide justifiable generalisations or causal laws and the extensive length of the research period (Yin, 1994); (2) case study research sometimes does not distinguish between what is unique to the case and what is common to the class of events as a whole (Achen and Snidal, 1989).

Three case studies of hotel properties located in dissimilar contextual settings were investigated where a total of 60 semi-structured interviews, seven focus groups were conducted along with direct observation and review of archival record. Further micro cases of critical incidents of innovation projects that have been implemented were also investigated. The combining of multiple qualitative methods helped overcome expected entry barriers by *crafting instruments* accordingly with environmental determinants and barriers. Enabling the assessment of *innovative behaviour patterns* from multiple dimensions along and replicating the research findings are additional advantages realised through applying multiple qualitative research methods.

## 1.6. Thesis Structure

In the *first chapter* of this thesis an overview of the research theoretical background, aims and objectives and methodology are presented followed by the review of the key literature relevant to service innovation and *service employees' innovative behaviour* in the *second chapter*. The *third chapter* starts with presenting the research methodology adopted and then outlines the approach of setting the research questions. The remaining subsections of the methodology and research design chapter include an explanation of the research methods used in data collection and the relevant ethical and practical implications.

*Chapter four* consists of an outline of the contexts of the researched cases, including the researched hotel properties backgrounds and management structures. The research data is inclusively presented in *chapter five* under data analysis themes, followed by the

discussion of the research outcome in light of the research objectives in *chapter six*. The rest of the discussion chapter highlights similarities and variations between the three case studies researched.

The research findings and contribution to the body of knowledge, that position these findings to existing literature, are highlighted in *chapter seven*. The conclusion and recommendations chapter also relates the research findings implications to management practice; practical recommendations are proposed to effectively nurture *service employees' innovative behaviour*. The remainder of this chapter discusses the limitations of the research methods applied and accordingly proposes recommendations for further research.



## 2. Chapter Two: Literature Review

### 2.1. Introduction

The initial subsections of this chapter review the key literature concerned with the evolution of service innovation and distinguish the unique features of services where the relevant emerging theories advocate special requirements and consideration to establish contemporary schools of thought to achieve further comprehension of service innovation.

The following subsections of this chapter review the literature on service employees' role in initiating innovation, including the inconsistent findings identifying service employees' conduct leading to innovation. The literature concerned with factors that influence the progression of service *employees' innovative behaviour* is reviewed in the remaining subsections of this chapter.

### 2.2. Servitization and Service Dominant SD Logic

The origin of the term service in English is believed to derive from the Latin *SERVITIUM*, meaning slavery. The modern connotation of the term service surfaced during the 1930's when the Department of Commerce in the United States classified major economic sectors as agricultural, manufacturing and services (Chesbrough, 2011b).

Within the previous literature it is widely accepted that services are different from tangible physical goods, where evidence of identifying services as a distinctive economic activity can be traced back to the 1930s (i.e. Fisher, 1939; Clark, 1957). Services were historically categorised in terms of what they are not, rather than what they are. For example, Clark (1957) subdivided the economy into three categories: primary, secondary and residual tertiary or services sector. At a later phase of service research more emphasis was placed on the unique features that distinguished services from *industrial* goods. Zeithaml *et al.* (1985) acknowledged that, first, services are largely *intangible* and cannot be touched, transported or stored, and since services are intangible, it is not possible for customers to examine them before their actual enactment. One expected consequence of this is that service customers may feel a greater amount of risk when purchasing a service than they do when buying physical goods (Fisk *et al.*, 2000).

Secondly, services tend to be *inseparable*, in the manner that their production usually cannot be separated from consumption (Zeithaml *et al.*, 1985). This means that the contribution of the marketer in services should be expanded beyond the traditional realms of industrial products marketer (i.e. in distribution and sales) to include the production of the service and its consumption (Orsini, 1987; Fisk *et al.*, 1993).

Thirdly, services are *perishable*, meaning that they are usually consumed at the same time they are produced or else they will be wasted. Zeithaml *et al.* (1985) also added that the characteristic of *perishability* is the major source of many of the problems of supply and demand that service marketers face. It is therefore important to synchronise supply and demand through a number of different methods (Berry, 1980; Bitner and Zeithaml, 1987). Fourth, services are highly *heterogeneous* in the sense that, unlike industrial products, no one service performance is identical to another. Each service encounter is unique and often highly customised (Zeithaml *et al.*, 1985), while '*the heterogeneity of services requires that considerable emphasis is attached to service providers and the process of provision to ensure quality*' (Ennew and Watkins, 1992, P. 205), such as services environments or personnel training.

By the second decade of the third millennium, some other views argued that the manufacturing sector is increasingly shifting towards providing services in the process called *servitization* (Vandermerwe and Rada, 1988; Neely, 2008; Baines *et al.*, 2009) where expectant views such as Barnett *et al.* (2013), in accordance, projected further popularity and theoretical comprehension of *servitization*. In practical terms, the computer hardware manufacturer IBM is a famous example of *servitization* transition where in 2012 IBM service divisions made around \$59,453 million of \$104,507 million total revenue (IBM, 2012). Fischer *et al.* (2012) provided another successful example of transition into *servitization*; the Canadian automotive parts supplier Magna International Inc. generated important parts of its revenue from vehicle assembly and engineering services. Oliva and Kallenberg (2003) suggested triggers, goals and actions relevant to five phases of transition to services (see Table 2.1).

Transition Phase		Triggers, Goals and Actions	
Consolidating product-related services	<b>Triggers:</b>	<ul style="list-style-type: none"> <li>Customers complain about the performance of services.</li> <li>Competition offering services.</li> </ul>	
	<b>Goals:</b>	<ul style="list-style-type: none"> <li>To improve performance of services (e.g. cost-efficiency, service quality and delivery time of service)</li> </ul>	
Entering the service market of an installed base	<b>Actions:</b>	<ul style="list-style-type: none"> <li>Moving services under one roof or responsibility.</li> <li>Evaluating existing services and defining improvement activities.</li> </ul>	
	<b>Triggers:</b>	<ul style="list-style-type: none"> <li>Recognition of the profit potential of services.</li> <li>Competition offering services.</li> <li>Need to improve customer satisfaction.</li> </ul>	
Expanding to relationship-based services	<b>Goals:</b>	<ul style="list-style-type: none"> <li>To create revenues in the service market of the installed base.</li> </ul>	
	<b>Actions:</b>	<ul style="list-style-type: none"> <li>Analysing the installed base</li> <li>Creating a separate service organisation.</li> <li>Creating a service infrastructure to respond to service demands.</li> </ul>	
Expanding to process-centred services	<b>Triggers:</b>	<ul style="list-style-type: none"> <li>Customers request more advanced services goals.</li> </ul>	
	<b>Goals:</b>	<ul style="list-style-type: none"> <li>To increase the utilisation degree of the service infrastructure through more scheduled service activities.</li> </ul>	
Taking over customer process	<b>Actions:</b>	<ul style="list-style-type: none"> <li>Undertaking the operational risks of the products</li> <li>Pricing the availability of the products</li> <li>Exploring cost-advantages provided by the service delivery.</li> </ul>	
	<b>Triggers:</b>	<ul style="list-style-type: none"> <li>Customers request more advanced services goals.</li> <li>To transfer competencies in product development to the service business.</li> </ul>	
Taking over customer process	<b>Goals:</b>	<ul style="list-style-type: none"> <li>Exploiting opportunities for integrating systems.</li> </ul>	
	<b>Actions:</b>	<ul style="list-style-type: none"> <li>Developing consulting competencies.</li> <li>Setting up the networks of other suppliers, manufacturers and service providers.</li> </ul>	
Taking over customer process	<b>Triggers:</b>	<ul style="list-style-type: none"> <li>Customers increasingly request to pay for performance and usage of the product instead of owning it.</li> </ul>	
	<b>Goals:</b>	<ul style="list-style-type: none"> <li>To take over the responsibility for customer processes.</li> </ul>	
Taking over customer process	<b>Actions:</b>	<ul style="list-style-type: none"> <li>Developing pricing mechanisms for selling product performance.</li> <li>Setting up operating knowledge.</li> </ul>	

(Table 2. 1: Transition Line from Products to Services; adapted from Oliva and Kallenberg, 2003, p. 165)

On the contrary, another view advocated the emergence of *service-driven manufacturing* (Gebauer *et al.*, 2012) or *productization* that indicates the development of service components, by service providers, to include a product (Baines *et al.*, 2009). However, rather than distinguishing the differences between products and services, integrated product-service IPS (Lindahl *et al.*, 2006; Sundin *et al.*, 2006) arose as a combining approach of *servitization* and *productization* and has become central to academic research. Park *et al.* (2012, p. 529) defined IPS as ‘any offering in which products and services are integrated, regardless of its types, objectives and features’. Park *et al.* (2012) further reviewed 13 concepts that are synonymous with IPS in the literature (see Table 2.2).

Concept	References	Key Themes	Methodological Approach
<i>Bundling</i>	Schmalensee (1982)	■ Analysing two different bundling strategies from an economic perspective.	■ Theoretical
	Murphy and Enis (1986)	■ Proposing an integrated product classification scheme.	■ Theoretical
	Guiltinan (1987)	■ Presenting a normative framework for selecting appropriate types of services for mixed-bundling discount forms.	■ Theoretical
	Eppen <i>et al.</i> (1991)	■ Arguing that the best approach is to treat bundles not as marketing gimmicks but as new products.	■ Empirical and Case Study
	Venkatesh and Mahajan (1993)	■ Proposing a probabilistic approach to optimally price a bundle of products or services that maximizes seller's profit.	■ Theoretical
<i>System Selling</i>	Mattson (1973)	■ Clarifying the concept of system selling and analysing the economic consequences of system selling.	■ Theoretical
<i>Full Service</i>	Stremersch <i>et al.</i> (2001)	■ Defining the concept of full service and providing enhanced insight in the factors to underlie the purchase of a full service.	■ Empirical
<i>Service Package</i>	Kellogg and Nie (1995)	■ Introducing the service process/service package matrix to meet needs.	■ Theoretical
<i>Product Service</i>	Samli <i>et al.</i> (1992)	■ Distinguishing services according to pre-sale and post-sale activity.	■ Theoretical
	Frambach <i>et al.</i> (1997)	■ Developing and empirically based framework for formulating proactive product service strategies.	■ Empirical
	Mathieu (2001)	■ Proposing an original classification system to compare two types of product services.	■ Empirical
<i>Installed Base Service</i>	Oliva and Kallenberg (2003)	■ Suggesting how this integration should be carried out, or detailing the challenges inherent in the transition to services.	■ Theoretical
<i>Solution</i>	Shepherd and Ahmed (2000)	■ Analysing the movement to a solutions innovation paradigm.	■ Theoretical
	Foot <i>et al.</i> (2001)	■ Suggesting cases for solution, and proposing a model for strong solution.	■ Case Study
	Galbraith (2002)	■ Identifying different types of solutions strategies.	■ Case Study
	Miller <i>et al.</i> (2002)	■ Analysing the business cases and identifies capabilities to deliver solutions.	■ Case Study
<i>Integrated Solution</i>	Davies (2001)	■ Offering the key elements of a business model for integrated solution sector.	■ Theoretical and Case Study
	Windahl (2007)	■ Providing the understanding of integrated solutions.	■ Case Study
<i>Eco-Effective Producer Service</i>	UNEP/WBCSD (1998)	■ Focusing on the complementarity of eco-efficiency and cleaner production.	■ Theoretical
	Zaring <i>et al.</i> (2001)	■ Bring the eco-efficient services into the European business and policy making.	■ Case Study
	Bartolomeo <i>et al.</i> (2003)	■ Providing a typology and analysis of eco-efficient producer services.	■ Theoretical

Table 2.2 continued

Concept	References	Key Themes	Methodological Approach
<i>Product-Service System</i>	Goedkoop <i>et al.</i> (1999)	■ Proposing a product service system and relevant method of analysis.	■ Theoretical and Case Study
	Mont (2004)	■ Exploring the concept of product service system as a strategy.	■ Theoretical
	Manzini and Vezolli (2003)	■ Explaining some Italian examples of eco-efficient product service system.	■ Case Study
	Tukker (2004)	■ Presenting eight archetypical product service system business models.	■ Theoretical
	Baines <i>et al.</i> (2007)	■ Describing the concept, origin, features, and benefits/barriers of product service system.	■ Theoretical
<i>Functional Sales</i>	Lindahl and Ölundh (2001)	■ Proposing the functional sales, as a concept in which eco-efficiency services can be included.	■ Theoretical
<i>Functional Product</i>	Alonso-Rasgado <i>et al.</i> (2004)	■ Defining and designing the functional products, in particular design of services in the context of total care products.	■ Theoretical
	Kumar and Kumar (2004)	■ Advocating the adoption of solution-selling and total care solutions into the mining industry.	■ Theoretical and Case Study
	Markeset and Kumar (2005)	■ Examining different scenarios for conventional and functional products.	■ Theoretical
<i>Integrated Product-Service</i>	Sundin <i>et al.</i> (2006)	■ Describing how software can support the development of an integrated product service engineering methodology.	■ Theoretical
	Lindahl <i>et al.</i> (2006)	■ Developing an integrated product service engineering methodology for efficient development and production.	■ Theoretical

(Table 2. 2: Existing Synonymous Concepts to Integrated Product Service; adapted from Park *et al.*, 2012, p. 530-532)

Service Dominant SD Logic (Vargo and Lusch, 2004, 2006, 2008b) continued to gain popularity and distinguished products from services entirely. In SD logic a service is *‘the application of specialised competences (operant resources-knowledge and skills), through deeds, processes and performances for the benefit of another entity or the entity itself’* (Vargo and Lusch, 2008c, p. 26).

SD logic is at pre-theoretic stage that conceptualises business exchanges from a service-based perspective (Winklhofer *et al.*, 2007; Vargo, 2011). However, 11 fundamental foundational premises FPs for SD logic are established in the literature (Vargo and Lusch, 2008b; Williams and Aitken, 2011). (FP1) mark the distinction between industrial goods and services in highlighting that market actors interact and collaborate for the other party that renders the service (Flint and Mentzer, 2006) (FP2) service intermediaries such as goods, money or institutions enable services to influence economies (Vargo and Lusch, 2008b). (FP3) services can be rendered either directly through service providers’ activities or

indirectly through enabling service platforms such as internet websites (Gummesson, 1993). (FP4) a firm's own operant resources (e.g. employees' competencies, network service capabilities) rather than (goods, materials) play a decisive competitive role (Möller, 2006). (FP5) services define all economies (Vargo and Lusch, 2008b). (FP6) emphasises the operant and co-creative nature of service network partners (Cova and Salle, 2007; Lusch *et al.*, 2007). (FP7) value is not inherent but is what customers get out of services and therefore value cannot be solely delivered by the service provider (Grönroos, 2006; Vargo and Lusch, 2008b). (FP8) value is created in a relational context in concert with customers rather than for customers (Vargo and Lusch, 2008b). (FP9) value co-creation requires all network partners to actively interact and integrate resources to achieve mutual betterment (Grönroos, 2008; Vargo *et al.*, 2008). (FP10) service providers facilitate the actualisation and determination of value that network partners render (Vargo and Lusch, 2008b). (FP11) highlights the importance of personal and societal values in determining value and value co-creation priorities (Williams and Aitken, 2011). Karpen *et al.* (2012) counted the following six strategic themes relevant to these foundation principles that reflect recognition of value created through interaction and resource integration between service network partners:

- i. Value-in-Context Focus: understanding value as a contextual and phenomenological outcome determined by the individual customer.
- ii. Relation Focus: understanding customers as social relationship partners, not as isolated targets, with whom collaborative relations are favourable.
- iii. Values Focus: understanding customer interaction and resource integration to benefit from ethical considerations for the long-term joint betterment.
- iv. Co-Production Focus: understanding customers as effect-capable resources able to contribute to service processes for enhanced outcomes.
- v. Operant Resources Focus: understanding customers' accessible operant resources as the basis for effective resource integration and value realization.
- vi. Process Flow Focus: understanding service as interlinked processes of resource integration within and among value networks of which customers are part.

(Karpen *et al.*, 2012: p. 23)

## 2.3. Classification of Services

Services are diverse in nature and cannot be classified as one type. At an early stage, Singelmann (1978) identified four types of services: consumer services, social services, producer services and distributive services. Furthermore, Lovelock (1983) proposed several classifications of services including one in which he considered the direct recipient of the service to be either people or things. Soete and Miozzo (1989) also identified four types of services, including supplier-dominated, production-intensive, specialised-technology and science-based services.

Another recognisable classification of services in the literature was presented by Lovelock and Yip (1996) as people-processing, possession-processing and information-processing types of services. In the international marketing context another typology was advanced by Erramilli (1990), who divided services into two types: hard services, that require limited or no local presence by the supplier (i.e. architectural design, education, life insurance and music), and soft services that require direct presence by the service supplier (i.e. food services, health care, laundry and lodgings).

In relation to innovation, more specific attempts to typify services are recognised in the literature. All have been highly influenced by the evolutionary theory that defined innovation as a cumulative and specific process rather than a disembodied outcome (Gallouj, 2002). The seminal study by Pavitt (1984) sought to categorise firms, both industrial and services, by establishing sectoral technological trajectory segments. Pavitt's (1984) taxonomy categorised firms into scale-intensive, specialised suppliers, science-based, supplier-dominated (including market services) and (outside these categories) firms that supply *non-market* services (see Table 2.3). However, in response to criticisms regarding confining the services sector into a single trajectory, Pavitt *et al.* (1989) proposed another trajectory within supplier-dominated firms, the knowledge-intensive services.

Scale-Intensive Firms	Continuous Process Activities (Steel, Glass) Mass Production (Cars, Durables)
Specialised Suppliers	Mechanical Engineering Instrumentation
Science-Based Firms	Electronics Electrical Chemicals
Supplier-Dominated Firms	Agriculture Construction, Public Works Traditional Manufacturing Market Services
Outside the Taxonomy	Non-Market Services

(Table 2. 3: Services Taxonomy; adapted from Pavitt *et al.*, 1989, in Gallouj, 2002: p. 7)

Soete and Miozzo (1989) had drawn from Pavitt *et al.* (1984) taxonomy in adapting it to the service sector. Soete and Miozzo (1989) proposed an alternative hypothesis based on the notion that technological behaviour in the service sector was far from being homogeneous; although they used a similar criterion to that advanced in Pavitt (1984) but in contrast they contended that services themselves follow different trajectories as they belong to different types within the taxonomy (see Table 2.4).

Large-Scale Physical Networks	Transport Wholesale Trade
Informational Networks	Finance Insurance Communications
Specialised Supplier and Science-Based Firms	Software Specialised Business Services
Supplier Dominated Firms	Personal Services, Repair, Cleaning, Catering, Hotels, Public and Social Services, Education, Health, Public Administration.

(Table 2. 4: Taxonomy of Innovation Trajectories; Soete and Miozzo, 1989, in Gallouj, 2002, p.7)

Soete and Miozzo's (1989) taxonomy also received some criticism in that it did not explain the diversity of the forms of innovation by only considering technological trajectory, and it



ignored the possibility that firms might combine trajectories from more than one category (Gallouj, 2002).

In the context of the hospitality subsector, the study of Den Hertog *et al.* (2011) surveyed 613 Dutch hospitality companies and accordingly identified specific characteristics of innovation in the hospitality service subsector including; being less explicitly managed, less technology-oriented and less budgeted in comparison with innovation in the manufacturing sector. Den Hertog *et al.* (2011) further proposed six key innovation targets and its related business processes that can be synonymously identified as six types of innovations in the hospitality service subsector (see Table 2.5).

Primary Business Processes	Supporting Business Processes
(1) Service formula or concept (e.g. a new franchise formula or a new highly customized service approach).	(1) Procurement or supply management (e.g. electronic ordering).
(2) <i>Serviscape</i> or location/building and how it is decorated (e.g. outlets in unexpected locations or the look and feel of a particular cafe', restaurant or hotel such as a designer hotel).	(2) Marketing and sales management (e.g. channel management and loyalty programmes).
(3) Assortment of products and services directly related to food, drinks and sleeping (e.g. menu engineering or the choice between various types of pillows in a hotel).	(3) Human resources management (e.g. training of personnel for new type of functions).
(4) The service interaction level offered or service experience offered to the guest (e.g. highly personalized services or electronic reservation system).	(4) Accounting (e.g. the use of advanced cash registers or administrative software).
(5) The actual primary service production in the area of food, drinks and sleeping (e.g. innovative approaches to keeping a location tidy and clean or the way food and drinks are prepared).	(5) Day-to-day operational management (e.g. innovative ways of management).
(6) The equipment or technology used in the primary production process (e.g. remote ordering devices on terraces or the latest kitchen technology).	(6) Use of innovative equipment/technology in generic supporting activities.

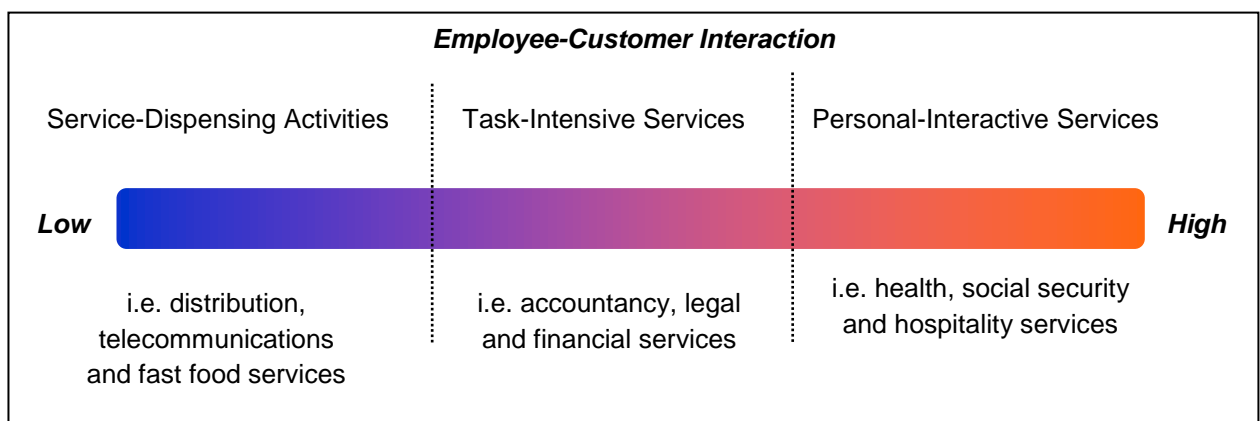
(Table 2. 5: Key Innovation Targets in the Hospitality Industry, Den Hartog *et al.*, 2011, p. 1435)

For the purpose of this research, an alternative taxonomy will be adopted, that is, the taxonomy presented by Lakshmanan (1987). This taxonomy presents three groups of service innovation trajectories based upon the degree of customer interaction and informational asymmetry within the service relationship (see Figure 2.1). Furthermore, this typology was based on Mills (1986) original typology of services. The Lakshmanan (1987) classification of services comprised of the following categories:

- i. **Service-Dispensing Activities:** characterised by low level of interaction and absence of informational asymmetry (i.e. distribution, telecommunications and fast food services).

- ii. **Task-Intensive Services:** characterised by intermediate levels of interaction and high levels of outcome uncertainty (i.e. accountancy, legal and financial services).
  - iii. **Personal-Interactive Services:** characterised by high degree of customer interaction and significant informational asymmetries (i.e. health, social security and hospitality services).
- (Lakshmanan, 1987)

The Lakshmanan (1987) typology of services is superior to the two previous typologies as it is not confined to technological innovations, but it rather acknowledges the existence of individual interaction as part of the innovation process. These are in effect the rules governing the modes of interaction between individuals that may advance concurrently with technological innovations (Gallouj, 2002).



(Figure 2. 1: Typology of Services; adapted from Lakshmanan, 1987)

## 2.4. Rethinking/Re-establishing Tenets of Service Innovation

The relationship between services and innovation has come considerably to the fore after Gershuny's (1978) study of the *self-service economy*, and by the 1980s a number of early studies finally emerged within this field to consider service innovation and the impact of technical change. These included Gershuny and Miles (1983), who argued that in fields such as entertainment, information and education, information technology presents the technical inputs for a new wave of social innovation; and the study by Barras (1986), who proposed that the process of innovation in services is preceded by the adoption of new technologies developed in other sectors. Publications on innovation in services eventually started to grow rapidly in the 1990s, and mainly dealt with various types of new services, success factors and aspects of the new services development NSD process (Vermeulen

and Van der Aa, 2003). Yet, it has been remarked at this stage that most innovation studies in service companies have not explicitly discussed how processes of other types or modes of innovation, such as architectural or organisational innovations, are conducted (Gadrey *et al.*, 1995; Gallouj and Weinsrein, 1997; Miles, 1997); and more recently Menor and Roth (2007) concluded that current strategies and tactics for developing new services are inadequate. In fact, compared with the manufacturing sector there is a considerable paucity in the literature concerned with the organisation and management of service innovation (Miles, 2000; Tidd *et al.*, 2001; Drejer, 2004; Adams *et al.*, 2006; Nijssen *et al.*, 2006; Spohrer, 2008). However, in the last decade the number of publications concerned with managing service innovation increased rapidly and the study of service innovation emerged as an important research field (Menor and Roth, 2007; IFM and IBM, 2008).

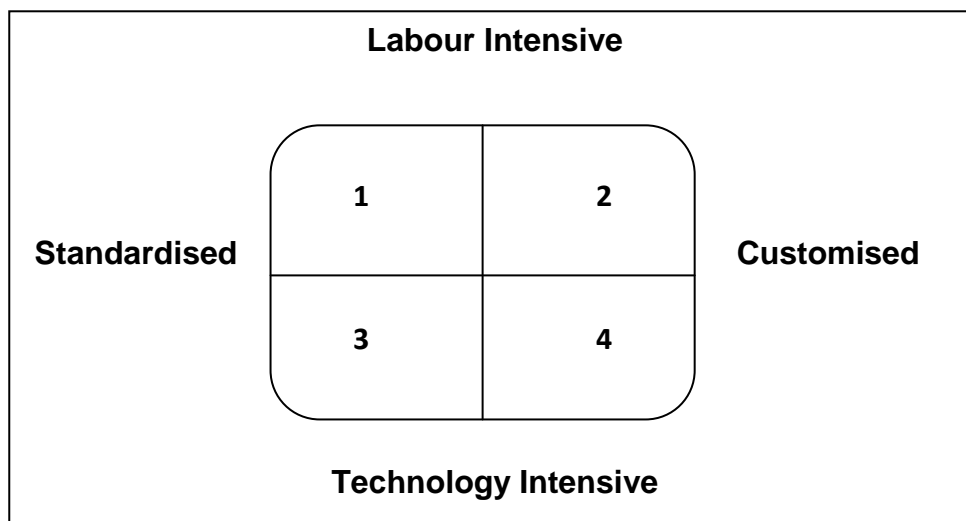
There are many reasons due to which service innovation is receiving greater than ever recognition; service innovation is widely recognised as an essential element that greatly contributes to business success (Avlonitis *et al.*, 2001) and to add value to retain and attract customers (Gustafsson and Johnson, 2003) and effectively accelerate growth and profitability (Berry *et al.*, 2006). Additionally, customers' improving life quality increased their expectations and demand for customised products and services (D'Alvino and Hidalgo, 2011). Both the transition of the global economy from product-oriented to service or solution-oriented (Chesbrough and Spohrer, 2006; Sheehan, 2006) and developed economies' manufacturing companies increasing their revenues through integrative services which combine both products and services (Araujo and Spring, 2006), have contributed to proliferating interest in service innovation.

Service innovation has been defined as a new service or a renewal of an existing service that is put to practice to provide organisational benefit (Toivonen and Tuominen, 2009), or more comprehensively as a new service experience or service solution in the form of new service concept, new customer interaction, new value system/business partners, new revenue model and new organisational or technological service delivery system (Den Hertog *et al.*, 2010). There is also evidence in the literature of influential categorisations of service innovations (i.e. Tether and Hipp, 2000; Lovelock and Wirtz, 2004) (see Table 2.6); yet some of those categorisations deal with new financial services development (i.e. Debackere, 1998; Avlonitis *et al.*, 2001) or financial service innovation (i.e. Gadrey *et al.*, 1995; Lovelock and Wirtz, 2004).

<ul style="list-style-type: none"> <li>■ New to the market service</li> <li>■ New to the company service</li> <li>■ New delivery process</li> <li>■ Service modifications</li> <li>■ Service line extensions</li> <li>■ Service repositioning</li> </ul> <p>Avlonitis <i>et al.</i> (2001)</p>	<ul style="list-style-type: none"> <li>■ Breakthrough projects (fundamental changes to existing products)</li> <li>■ Platform projects (new product lines)</li> <li>■ Derivative projects (incremental changes)</li> </ul> <p>Debackere <i>et al.</i> (1998)</p>
<ul style="list-style-type: none"> <li>■ Innovations in service products</li> <li>■ Architectural innovations (bundling/unbundling of service products)</li> <li>■ Modifications of service products</li> <li>■ Innovations in processes and organisation for existing service</li> </ul> <p>Gadrey <i>et al.</i> (1995)</p>	<ul style="list-style-type: none"> <li>■ Process innovation</li> <li>■ Product-line extensions</li> <li>■ Process-line extensions</li> <li>■ Supplementary-service innovations</li> <li>■ Service improvements and style change</li> </ul> <p>Lovelock and Wirtz (2004)</p>
<ul style="list-style-type: none"> <li>■ Product innovation</li> <li>■ Process innovation</li> <li>■ Organisational innovation</li> <li>■ Market innovation</li> <li>■ Ad-hoc innovation</li> </ul> <p>(Sundbo and Gallouj, 1998)</p>	<ul style="list-style-type: none"> <li>■ New or significantly improved services (service innovation)</li> <li>■ New or significantly improved methods to produce services (process innovation)</li> <li>■ Significant organisational change (organisational innovation)</li> </ul> <p>(Tether and Hipp, 2000)</p>

(Table 2. 6: Service Innovation Categories)

It is also important to outline that innovation in services is frequently incremental; in their SI4S project, Sundbo and Gallouj (1998) concluded that innovations within services are more incremental than radical, and are often very small changes as only few of the renewals that the services companies themselves consider as innovations are new to the market. Sundbo and Gallouj (1998) also proposed a useful conceptual model that helps understand the incremental nature of service production as well as the development of innovation activities in the services sector along two dimensions (see Figure 2.2). Within one dimension service providers were subdivided into two dimensional types, labour intensive and technology intensive, while the other dimension also subdivided services activities into two types, standardised and customised. According to Sundbo and Gallouj (1998), services activities have traditionally concentrated in two types, quadrant two and three, where category two is the typical knowledge-based service that has an individual advisory character, and category three is the typical mass production service (e.g. transport services).

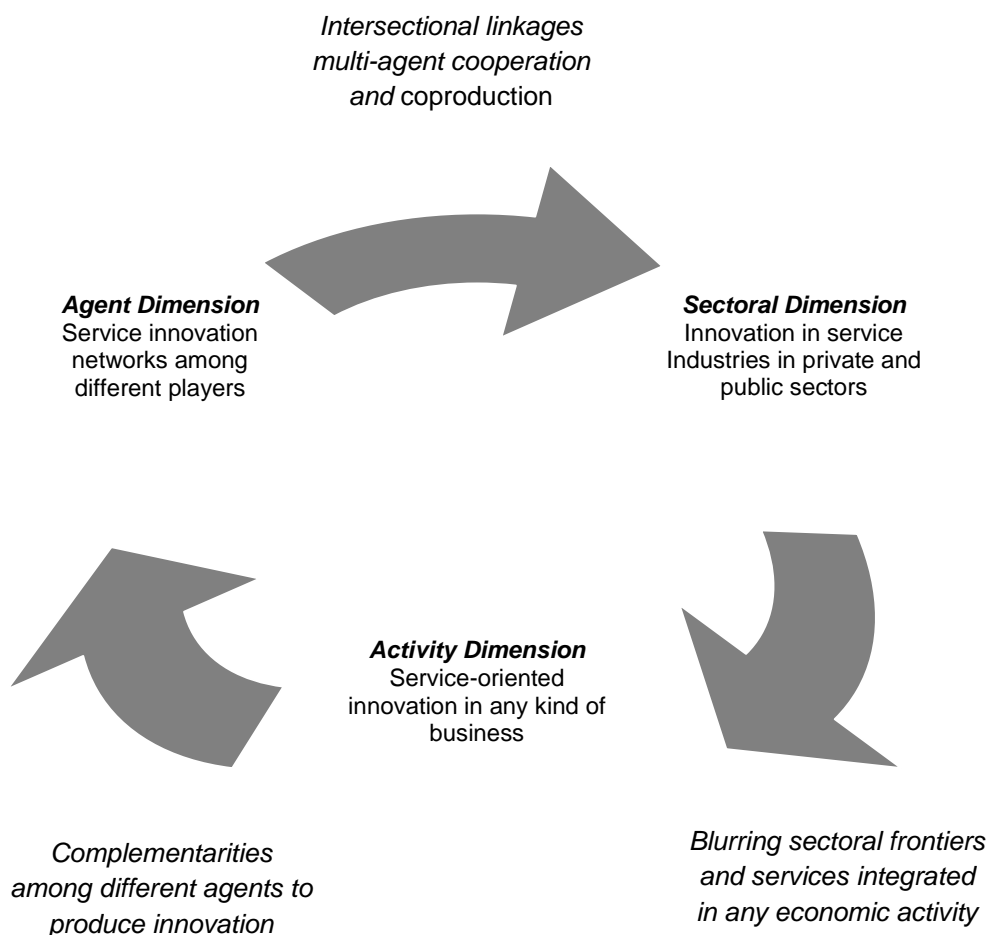


(Figure 2. 2: Dimensions of Service Innovation and Production, Sundbo and Gallouj, 1998, p. 8)

Service innovation has been theoretically underpinned in different ways, and yet despite being one of the most important aspects of service research it is still not systematically understood (Essen, 2009). Some critical views argue that the Schumpeterian approach to innovation still influence service innovation judgment, as when Sundbo and Gallouj (1998) in the SI4S project defined innovation as *‘the change of business by addition of a new element or a new combination of old elements in the Schumpeterian meaning’* (Sundbo and Gallouj, 1998, p. 4). Schumpeter (1934) traditionally distinguished between five areas within which companies can introduce innovation: (1) generation of new or improved products, (2) introduction of new production processes, (3) development of new sales markets, (4) development of new supply markets, and (5) re-organisation and/or restructuring of the company. The Schumpeterian approach proposes that in *creative destruction* in which existing technology is replaced by new technical advances and so forth economic development is driven by innovation (D’Alvano and Hidalgo, 2011).

More recently, Rubalcaba *et al.* (2012) provided an analytical framework that subdivides service innovation into three dimensions (see Figure 2.3). Firstly, the *sectoral* dimension refers to innovation applied to industries within the service sector. In this dimension research key contributions helped setting general concepts and definitions of specific characteristics of service innovation in comparison to manufacturing goods innovation including modes of innovation, inputs and outputs, implicated risk, appropriation issues and impacts (see for example Miles, 2000; Tether, 2005; Evangelista, 2006; Howells, 2010).

Secondly, within the *activity* dimension, in contrast to the *sectoral* dimension, service innovation is anticipated to emerge in any business sector and sector-specific differences tend to collapse as manufacturing companies increasingly combine their products with service integrated solutions. This trend of *new service economy* (Rubalcaba, 2007) underlines service innovation as a key aspect of service research. Thirdly, under the *agent* dimension service innovation can be the outcome of coproduction of different agents in an innovation network. Within this perspective the findings of European Union ServPPIN project analysed innovation networks in both public and private sectors (Rubalcaba, 2011) and proposed that the *agent* dimension reflects the emerging concepts of *open* and *social* innovation (Chesbrough, 2011a, 2011b) within which service innovation is coproduced with end-users (Von Hippel, 2005) and other external sources of knowledge (Windrum *et al.*, 2011).



(Figure 2. 3: Multidimensional Framework of Service; adapted from Rubalcaba *et al.*, 2012)

The management of service innovation is frequently compared and contrasted with the management of product innovation (Droege *et al.*, 2009). For example, Alam (2006) emphasised that by reviewing the literature on the classification of service innovations it would become apparent that although a distinction can be made between the new types of tangible products and new services, there are still to be no major differences between the two, and the types proposed by services researchers overlap with those provided by tangible goods researchers. Another example is the frequent application of the consulting group Booz, Allen and Hamilton's (1982) new product development categorisation to services (i.e. in Bowers, 1989 and Avlonitis *et al.*, 2001). However, the services characteristics of intangibility, perishability, inseparability and heterogeneity (Berry, 1980; Lovelock, 1983; Zeithaml and Bitner, 2000) which are reviewed in section 2.2 of this chapter implicate differentiating between services and industrial product innovation. First, due to the intangibility of the service output it would become extremely difficult to test new services before introduction (Mohammed and Easingwood, 1993). Second, the inseparability of services production and consumption (simultaneity) leads to the impossibility of inventory (Habib and Victor, 1991). Third, the factor of heterogeneity related to the NSD process makes it difficult to standardise the service experience and therefore limits the extent to which service innovation can be controlled and managed (De Brentani, 1989). In light of the mentioned factors it is widely argued that it would be difficult to generalise new product development NPD across the services domain (Atuahene-Gima, 1996; Johne and Storey, 1998; Fitzsimmons and Fitzsimmons, 1998). At an earlier stage of service innovation research Sirilli and Evangelista (1998) summed up the key peculiarities of service innovation commonly acknowledged in the literature:

- i. **The close interaction between production and consumption** is believed to create difficulties in distinguishing between product and process innovation.
- ii. **The high information content and intangible nature of the service output** means unlike industrial goods, services do not autonomously exist in isolation from production; though, in services there tends to be a different relationship between the production process and the final outcome.
- iii. **The key role of human resources in the provision of services;** services production and innovation significantly depend on the knowledge and skills of the people involved in the process (Gallouj and Weinstein, 1997).

- iv. **The critical role of organisational factors in a firm's performance;** services achieve short-term gains through product innovations concerned with improving the relationship between what is being provided and the service users' needs. The service provider then has a key role to play to maintain a good relationship between the two.

(Sirilli and Evangelista, 1998)

However, success in managing service innovation is not a result of managing one or two activities but instead is more likely to be achieved through a comprehensive approach to manage a large number of aspects competently and in a balanced manner (Johne and Storey, 1998). Similarly, De Brentani (2001) concluded that there are four *critical dimensions* that influence the management of service innovation: (1) service or product related, (2) market related, (3) process related and (4) organisational related. Each of the mentioned dimensions implicates other sub-categories that have also been supported by other researchers in the field (see Table 2.7).

Service or product determinants	<ul style="list-style-type: none"> <li>■ The relative advantage of a product or service (Cooper <i>et al.</i>, 1994)</li> <li>■ Tangible quality (De Brentani, 1991)</li> <li>■ Functional quality (Storey and Easingwood, 1998)</li> <li>■ Innovative technology (Cooper <i>et al.</i>, 1994)</li> </ul>
Market determinants	<ul style="list-style-type: none"> <li>■ Market synergy (Cooper and De Brentani, 1991)</li> <li>■ Market attractiveness (De Brentani and Ragot, 1996)</li> </ul>
Process determinants	<ul style="list-style-type: none"> <li>■ The implementation of proficient and market oriented new service development process including pre-launch activities (Atuahene-Gima, 1996)</li> <li>■ Employees involvement in the process (De Brentani, 1991)</li> <li>■ Communication (Edgett, 1994)</li> <li>■ Effective management (De Brentani and Ragot, 1996)</li> </ul>
Organisational determinants	<ul style="list-style-type: none"> <li>■ Synergies between the new service and the marketing, managerial and financial resources (De Brentani, 1991)</li> <li>■ The link between the NSD success and the reputation of the firm (Storey and Easingwood, 1998)</li> </ul>

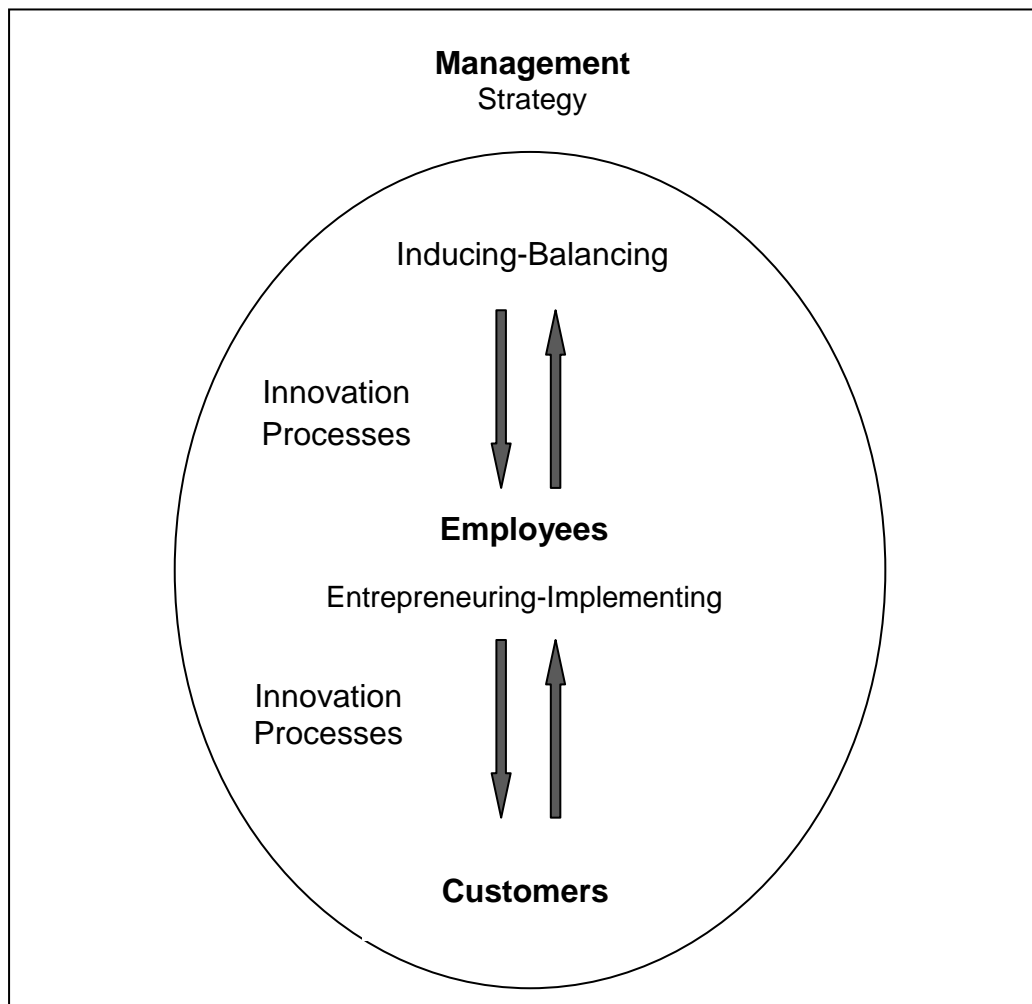
(Table 2. 7: Service Innovation Determinants)

Despite that the mentioned considerations of service peculiarities and determinants of service innovation have been acknowledged at an earlier stage in the literature, they have not been systematically associated to service innovation research until the *service dominant SD* logic paradigm emerged (Vargo and Lusch, 2004). SD logic points out the



commitment to collaborative processes with customers, partners and employees (Lusch *et al.*, 2007) and the strategic implications of *co-creation* and *open innovation*.

In the *co-creation* paradigm and in relation to the context of this research, communication between employees and customers is important (Sundbo and Toivonen, 2011) and can enhance customers' perceptions of quality while also suggesting ideas that can lead to innovations (Rubalcaba *et al.*, 2012). The role of employees in initiating service innovation has equally been substantiated (Sundbo 2008b). Unlike the conventional framework that depends on management coordination of service innovation activities, the strategic model of *employee-driven innovation* (Sundbo, 2008b) involves dually prompted innovation; one is initiated by employees and their encounter with customers and the other is induced by management (see Figure, 2.4).



(Figure 2. 4: Strategic Model of Service Innovation, adapted from Rubalcaba *et al.*, 2012)

In innovation management literature, two schools of thought traditionally evolved from contradicting viewpoints: the first group is the individualistic school (Trott, 2005), or the school of the linear process of innovation (Rogers and Bozeman, 2001), that was underpinned by the conception that pure science progresses in a straight trajectory to applied science through to its development towards an industrial setting (Kane and Ragsdell, 2003). Under this perspective technological innovation is deemed as all technical, industrial and commercial stages leading to the successful launch of products or services through commercial utilisation of new technical processes (Hidalgo *et al.*, 2002).

The second school of innovation management emerged from the recognition that innovation occurs through the interaction of the science base, technological development and the needs of the market, the non-linear, or as Trott (2005) rephrased it as the *social deterministic* school, where innovations were believed to be the result of a combination of both internal and external social factors and influencers. Under this school of thought, and in the literature of organisational and technological innovation, the pivotal role of communication in new product development has been repeatedly substantiated (Rogers and Shoemaker, 1971; Rogers and Agarwala-Rogers, 1976; Allen, 1985).

Within service innovation literature, it is widely accepted that innovation involves more complicated implications; service companies develop both radical and incremental innovations in the form of existing services, changes to processes or adjustments to personnel behaviour (Rubalcaba *et al.*, 2012). In particular, four schools of thought emerged in the literature of service innovation (Droege *et al.*, 2009). The *technologist* school was first, *and* under this perspective service innovation is dependent on technological competence gains and development in information technology (Barras, 1986, 1990). The *technologist* approach has been conceptualised as a reversed product life cycle that begins with innovations and subsequently leads to totally new services (Linton and Walsh, 2008). Gallouj (2002) proposed a contrasting critical view by concluding that service innovations are frequently non-technological, such as a new form of insurance policy or developing a new area of legal expertise.

The second school, the *assimilation* perspective, assumed that the theories and concepts developed in manufacturing contexts can easily be transferred to innovation in services (Coombs and Miles, 2000; Drejer, 2004; De Vries, 2006; Nijssen *et al.*, 2006). Scholars following this approach found that differences between services and tangible products

seemed to be smaller than the services and manufacturing sectors (Sirilli and Evangelista 1998; Hughes and Wood, 1999). Akamavi (2005) criticised the *assimilation* school of thought and claimed that studies developed under this school derive their analytical frameworks from the manufacturing sector without taking into account the idiosyncrasies of services. The *synthesis* perspective was the third school of thought identified. *Synthesis* studies dedicated more effort to bring together innovation in both services and manufacturing sectors than to study each field separately (Gallouj and Weinstein, 1997; Coombs and Miles, 2000; Nightingdale, 2003; Drejer, 2004; Howells, 2006; Nijssen *et al.*, 2006), after illuminating the important elements of service innovation such as the involvement of customers (Sanden *et al.*, 2006). This approach seemed to be preferred by service innovation scholars (i.e. Den Hertog, 2010; Gallouj and Djellal, 2011; Rubalcaba, 2011; Tether, 2005; Windrum, 2009) but still considered at an embryonic stage (Gallouj and Savona, 2011).

The fourth school of thought or the *demarcation* perspective focused on the distinctive features of services that make it difficult to transfer theories from the manufacturing to the services sector (Droege *et al.*, 2009). Den Hertog's (2000) remarkable study within the *demarcation* stream of literature takes a conceptual perspective of service innovation by presenting taxonomy of service innovation patterns and a framework to better understand what parts of services are affected by innovation.

This research adopts the view of Gallouj and Savona (2011) that recognises the usefulness, but expected bias, of independent approaches of service innovation; i.e. *technologist*, *assimilation* and *demarcation* perspectives, and therefore support an *integrative* or *synthetic* approach to avoid underestimating peculiarities of service innovation or overly focus on these peculiarities and consequently lack consistency with existing innovation theories. This research accordingly adopts the *synthesis* perspective of service innovation by considering the peculiarities of services, embedded in the high degrees of *intangibility* and *perishability* of services delivered within the hospitality sector to be investigated, and equally recognising the applicability of theories developed within the manufacturing sector when applicable.

## 2.5. Employee-Driven Service Innovation

Involvement of employees in the service process is another important determinant of service innovation. According to the service system model (Edvardsson and Gustavsson, 1990), services organisations do not purely provide the service; what they provide are prerequisites of services (i.e. physical environment and administrative procedures), and then it is the simultaneous interaction between employees and customers that complements the service process. This unavoidable interaction between front-line employees and customers may be the most value-generating ingredient of the service (Berry *et al.*, 1988) that can differentiate the services provider from competitors and convince clients to make the switching decision (Atuahene-Gima, 1996).

There is great consensus over the pivotal role that service employees may play. The issue of front-line interaction between employees and customers, commonly known as the *service encounter*, has received considerable attention. Adams (2005) additionally differentiated between the following three important contributions of employees referred to as *human capital*:

- i. Social Capital: the development of both formal and informal social networks at inter-organisational and intra-organisational levels to allow the sharing of skills and knowledge.
  - ii. Instructional Capital: the development, organisation and retention of organisational specific knowledge that is held by an individual.
  - iii. Individual capital: the development of creativity and leadership.
- (Adams, 2005)

Previous studies propose that organisations can benefit from employees' innovation and many popular studies in the management field were focused around this topic, including total quality management (Ehigie and Akpan, 2004), continuous improvement schemes (Fuller *et al.*, 2006), corporate venturing (Elfring, 2003), creative problem solving (Basadur, 2004) and organisational learning (Senge, 1990). Employees' participation is increasingly regarded as an important element to realise innovation, and previous research has suggested that employees' individual innovation is recognised as a decisive factor of an organisation's *innovativeness*. For example, De Jong and Den Hartog (2007) proposed that organisations capitalise on employees' ability to innovate, while Campbell *et*

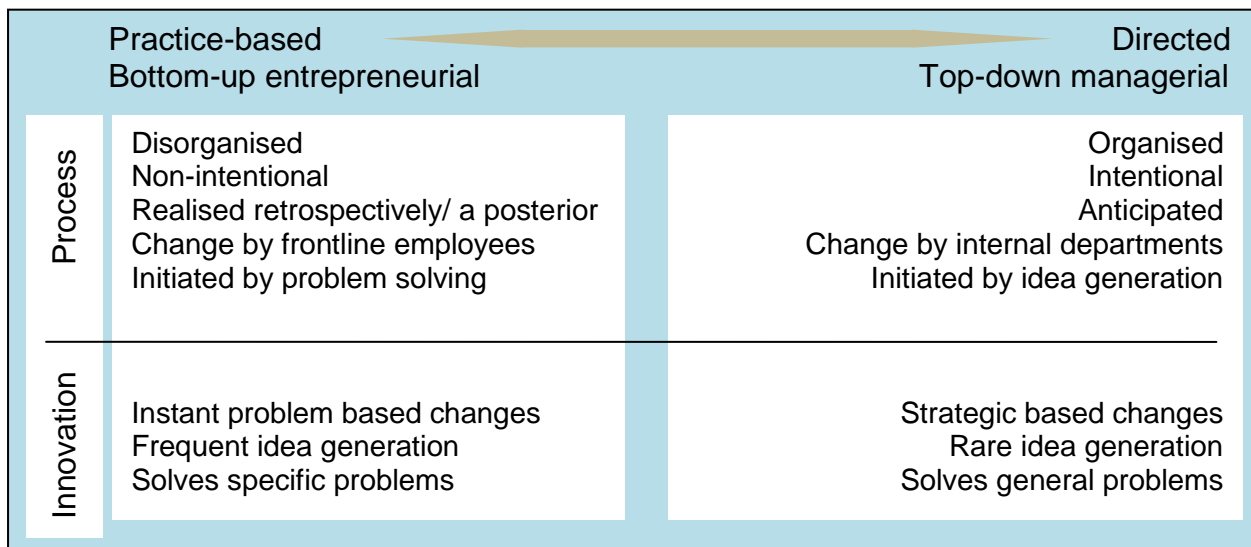
*al.* (1996) empirically identified a positive relationship between innovative behaviour and organisational performance, and Getz and Robinson (2003) posited that 80% of improvement ideas come from employees and only 20% come through planned innovation activities.

Despite the wide acceptance of employees' contribution to service innovation there has been little understanding in earlier research of the relationship between employees' roles and service innovation. For example, the study of Sundbo and Gallouj (2000) recognises the important role of professional employees for service innovation without analysing how those professional employees might initiate service innovation. More recent studies focused mainly on service employees' roles in relation to knowledge and its contribution to innovation where there has been a growing interest in knowledge intensive business services KIBS<sup>1</sup> contribution to Innovation (Shearmur and Doloreux, 2013) with no consideration of other service subsector. Furthermore, in review of the more recent literature an emerging line of research can be detected that highlighted employees' role in *service encounter-based innovation* (i.e. Toivonen and Tuominen, 2009; Sundbo and Toivonen, 2011) the *service encounter-based innovation* conception was originally derived from the *user-driven innovation* theme in innovation management literature and emerged as a contemporary research line in the service innovation literature. *Service encounter-based innovation* denotes service innovation as developing from ideas, knowledge or practices derived from frontline service employees' meetings with users in the service delivery process (Sørensen and Jensen, 2012). The influential study of Sørensen *et al.* (2013) that examined eleven Scandinavian service organisations identified two sets of innovation processes related to *service encounter-based innovation* as; *directed innovation*, of which resembles management planned innovation processes and *practice-based innovation* that is dependent on employees' creativity in providing unintentional changes and generating ideas through the service encounter (see Figure 2.5). In their model of organisational conditions of service encounter-based innovation, Sørensen *et al.* (2013) advocated that *directed innovation* is dependent on *practice-based innovation* outcome of generating contemporary ideas for developing new or adapted services, and highlighted the relationship between the two processes as complementary but also

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<sup>1</sup> KIBS are by definition intermediate services that usually deliver knowledge or know-how and can deliver and implement systems, such as accounting or computer systems (Muller and Doloreux, 2009).

identified the enabling factors of *front office innovation climate* and the *organisational support system* as antecedents of *service encounter-based innovation*.



(Figure 2. 5: Dichotomy of service Encounter-Based Innovation, Sørensen *et al.*, 2013, p. 1448)

In general, the research on employees-driven innovation has traditionally progressed in four main ways. It has been underpinned firstly in terms of cognitive styles, where Kirton (1976) measured two distinct cognitive styles as adaptors who solve problems within existing perceptual frames and innovators who restructure these frames. Secondly, employees' *innovative behaviour* has been examined in terms of personality characteristics (Hurt *et al.*, 1977). Thirdly, perceived in terms of innovation output (West, 1987), while fourthly and most lately viewed from a behavioural perspective (Janssen, 2000).

The behavioural perspective of employees' driven innovation was originally derived from the social/organisational psychology literature, and at its early stages of development it was extrapolated to the management literature. Individual innovation in the workplace had been strongly linked to creativity, which can be traced in the literature as early as Wallas' (1926) four phases of individual creativity model. However, the literature on creativity and that on *innovative work behaviour* IWB continued to overlap over time (e.g. McAdam and McClelland, 2002; Mumford, 2003). The efforts of the work environment inventory WEI, developed by Amabile and Grysiewicz (1998), set the yardstick for other research on creativity. Alongside the eight scales described as stimulants to creativity, Amabile and

Gryskiewicz (1998) identified another four scales describing obstacles to creativity as *time pressure, evaluation status quo and political problems*. However, other views advocate that the number of possible obstacles to creativity is virtually infinite, and environments affect individuals differently (see for example, Weiner, 2000).

While employees' creativity at its abstract form has been conceived as the production of new and useful ideas for products, services, processes and procedures (Amabile, 1996), there is little agreement over what precisely constitutes both creativity and innovation (Anderson *et al.*, 2014). Although creativity and innovation are used interchangeably, differences between creativity and innovation were determined as; creativity is concerned with absolute novelty whereas innovation may involve ideas that are relatively novel but have been adapted and applied as new ideas to the unit of implementation (Anderson *et al.*, 2004), and that creativity is more likely to be associated with the early stage of idea generation and innovation involves the later stage of idea implementation (Mumford and Gustafson, 1988; Amabile, 1996). However, the research on employees' creativity, despite being interchangeably linked with innovation literature (Scott and Bruce, 1994), was criticised for (1) being more focused on *early cycle* activities related to idea generation and initiation without similar focus on *late cycle* idea application activities (Mumford, 2003) while creativity occurs not only in the early stage of the innovation process but follow cyclical and recursive patterns of idea generation and implementation (Paulus, 2002), and (2) for encompassing creative activities as personal attributes and failing to address the complex systems and processes of innovation (Janssen *et al.*, 2004).

Dissatisfaction with employees' *innovative behaviour* and creativity conjecture has arisen, as it failed to address the complex construct of individual innovation. This has led to alternative initiatives; in particular two parallel concepts of *innovative work behaviour* IWB (Axtell *et al.*, 2000; Janssen, 2000; Ramamoorthy *et al.*, 2005; Dorenbosch *et al.*, 2005) and *individual innovative behaviour* IIB (Kleysen and Street, 2001; De Jong and Kemp, 2003) have emerged. The number of definitions of the IWB reflects greater popularity over the IIB that was conceptualised as the multidimensional extra-role of *innovative behaviour* beyond the scope of job requirements which is important for organisations' survival through initiating innovation (Tuominen and Toivonen, 2007). Three celebrated definitions of *innovative work behaviour* that existed in the literature are outlined in Table 2.8.

1) Farr and Ford (1990)	The intentional introduction within one's work role of new and useful ideas, processes, products or procedures.
2) Janssen (2000)	The intentional creation, introduction and application of new ideas within a work role, group or organisation in order to benefit role performance, the group or the organisation.
3) de Jong (2007)	Individual behaviour to achieve the initiation and intentional introduction (within a work role, group or organisation) of new and useful ideas, processes, products or procedures.

(Table 2. 8: Definitions of Innovative Work Behaviour)

In the context of this research, although the behavioural perspective of service innovation is acknowledged, it is advocated that neither *innovative work behaviour* IWB nor *individual innovative behaviour* IIB concepts should be indiscriminately applied to the service industry and a new service-based terminology should be derived alternatively. The justifying reasons for this are, firstly that both concepts of IWB and IIB have been examined primarily in the manufacturing organisations context and the peculiarities of services may not have been addressed when developing both concepts. Secondly, a distinguished concept is required for the service sector to encompass individual based interactions and the complex relationships between employees and other actors within the service delivery environment. Thirdly, the application of a unique concept to the service sector may help overcome the present inconsistency in expressions denoting employee-driven innovation across the service industry literature.

When assessing the previous literature, it is apparent that employees' role in service innovation has been studied in variant ways, in terms of creativity, front-line employees' participation, service encounter-based innovation, innovative behaviour, knowledge acquisition and sharing and motivation (see Table 2.9). However, there seems to be a strong tendency in the literature towards linking employees' participation in service innovation with creativity.



Paradigm	Author(s)	Assessment Method	Findings
Creativity	Hsu <i>et al.</i> (2011)	Longitudinal research of 340 hospitality service employees. Effective sample reduced to 120 respondents of a survey questionnaire.	<ul style="list-style-type: none"> <li>The study revealed that employees with a high level of creative self-efficacy demonstrate a high level of innovative behaviour at work. Optimism was also found to play a moderating role without direct effect on employees' innovative behaviour.</li> </ul>
Frontline Employees' Participation	Slåtten <i>et al.</i> (2011)	Hypothesis testing survey questionnaire method of 72 hotel frontline employees was conducted.	<ul style="list-style-type: none"> <li>Findings indicated a strong relationship between frontline cognitive creativity production of novel ideas and the behavioural implementation of these ideas.</li> <li>Empirical findings indicated that both empowering leadership and a humorous work climate trigger frontline service employees' creativity.</li> </ul>
Service Encounter-Based Innovation	Sørensen <i>et al.</i> (2013)	Comparative case study research of 11 Scandinavian service organisations through semi-structured qualitative interviews and observation.	<ul style="list-style-type: none"> <li>Findings highlighted two types of innovation processes depending on frontline employees' creativity as practice-based and directed innovation, and determined a complementary relationship between the two.</li> <li>Findings identified the enabling factors of <i>front office innovation climate</i> and the <i>organisational support system</i> as antecedents of <i>service encounter-based innovation</i>.</li> </ul>
Innovative Behaviour	Tuominen and Toivonen (2011)	Comparative case study research of three knowledge intensive business service (KIBS) companies including 31 semi-structured interviews.	<ul style="list-style-type: none"> <li>Findings identified Kleysen and Street's (2001) five types of innovative behaviour; in the context of studied companies: opportunity recognition, generativity, championing, formative investigation and application.</li> <li>Findings highlighted different incentives and innovative behaviour patterns depending on organisational level and empowerment.</li> <li>Findings highlighted the ancillary role of knowledge to individual innovative behaviour and further identified two types of knowledge as prior and dependent knowledge.</li> <li>The study revealed four types of individual innovative behaviour patterns: formal knowledge acquisition and knowledge integration, and informal knowledge acquisition and integration.</li> </ul>
	Edghiem (2014)	Comparative case study research of two hotel properties through multiple qualitative methods including semi-structured interviews and observation.	
Motivation	Slåtten and Mehmetoglu (2011)	Hypothesis testing survey questionnaire method of 158 hotel frontline employees in Norway was conducted.	<ul style="list-style-type: none"> <li>Results revealed that employees' creativity is a key driver for innovative behaviour with company empowerment practices, familiarity with company vision and employee commitment strongly related to employee creativity.</li> </ul>
	Cadwallader <i>et al.</i> (2010)	Study of 16 dealerships through hypothesis testing survey questionnaire of 328 frontline employees.	<ul style="list-style-type: none"> <li>Introduced hierarchical conceptualisation model of motivation of frontline service employees' to participate in innovation implementation at three levels: global, contextual and situational.</li> </ul>

(Table 2. 9: Studies Highlighting Employees' Role in Service Innovation)

The behavioural perspective of innovation (Janssen, 2000) that recognises employees' role in initiating innovation, considers the involvement of individuals in the traditional two phases that ascertain the process of innovation *initiation* and *implementation* (Zaltman *et al.*, 1973; Axtell *et al.*, 2000), where the first stage ends with the production of an idea and the second stage ends as soon as an idea is implemented (King and Anderson, 2002). However, this abstract view of innovation stages received criticism for its simplicity and eventually other distinctions of *innovative behaviour* activities emerged as activity-stage models. Janssen (2000) identified three *innovative behaviour* stages of *problem recognition*, *creation of a novel solution Idea* and *promoting the idea* to gain organisational sponsorship.

Kleysen and Street (2001) also proposed a more detailed distinction of *innovative behaviour* stages including, (1) *opportunity exploration*: paying attention to opportunity sources, looking for opportunities to innovate, recognising opportunities and gathering information about these opportunities; (2) *generativity*: generating ideas and solutions for opportunities, generating representations and categories of opportunities and generating associations and combinations of ideas; (3) *formative investigations*: giving form to ideas and evaluating ideas through experimentation; (4) *championing*: socio-political behaviours involved in the process of innovation including negotiation and persuasion; and (5) *application*: behaviours aiming to implement innovations as a regular component of the business.

The activity-stage models of *innovative behaviour* previously discussed received heavy criticism for their linear approach, being simplistic (De Jong, 2007) and not addressing critical influential aspects such as motivation (Frese *et al.*, 1999), innovation leadership (Kahai *et al.*, 2003; Shin and Zhou, 2003), management implications (Amabile, 1997; Cummings and Oldham, 1997; Sweetman, 2001) and *innovative behaviour* at the group level (Kanter, 1988; Axtell *et al.*, 2000; Janssen, 2000). In fact these models may be more useful if applied as analytical tools to understand *innovative behaviour* at the individual level (Tuominen and Toivonen, 2007). In this research a similar approach was adopted; the activity-stage model of initiation-implementation (Zaltman *et al.*, 1973; Axtell *et al.*, 2000) was used as an analytical tool to illustrate the *individual innovative behaviour* patterns from both the initiation and implementation perspectives. The initiation-implementation framework is more suitable for not being restricted to a prescribed set of

*innovative behaviour patterns*, and for being broad enough to contain other aspects that may influence *innovative behaviour* such as motivation and management control implications.

Under the multidimensional perspective this research centre of attention is to explore *idea generation* and *development* aspects of *individual innovative behaviour*. Individual based idea generation can be subdivided into formally initiated and individually initiated constructs. The study of McAdam and McClelland (2002) provided useful categorisation of the literature on formally initiated idea generation; and their three exemplar constructs included *segregation, structure and strategic intent*. (1) The approach of *segregation* recommended that idea generation should be considered as a separate activity from idea evaluation (Osborne, 1963), and that additional time should be allowed to incubate creativity before idea evaluation (Henry 1991). (2) *Structural approach*, that organises idea generation through formal techniques, and among the earliest formal techniques of idea generation was Osborn's (1963) *brainstorming* sessions. Other techniques included wording changes to problems, turning negatives into positives and changing the focus of problems (Evans and Lindsay, 1999). Quinn (1985) also described how 3M, Hewlett Packard and Raychem used the *customer-pull* technique where innovation teams worked closely with customers to generate ideas for new products. (3) *Strategic intent* which concludes that new ideas must be consistent with the company's goals (Guimaraes and Langley, 1994). For example, Amabile (1998) suggested that idea generation teams must work consistently with organisational strategic goals, while Bessant and Francis (1999) also advocated the deployment of a strategic approach among employees that leads to idea generation consistent with organisational strategy.

From a different perspective, another stream of literature focused on *formal business environment initiated* idea generation. For instance, the contribution of multiple overlapping organisational networks to idea generation have been widely recognised (Van de Ven, 1986; Syson and Perks, 2004). The diversity of resources and components implicated in a network provide an abundant pool of ideas for innovation. However, the exchange of ideas between the network actors (i.e. competitors, suppliers, customers, employees) depends on a complex set of relationships and ties both at the individual and organisational levels (Easingwood, 1986; Vermeulen and Dankbaar, 2002).

The other category of literature has been concerned with *individual initiated* idea generation. In this respect, the idea generation custom has long been associated with creativity, and many studies in the innovation literature have linked creativity with idea generation (McAdam and McClelland, 2002), where creativity was described as the synthesis of new ideas and concepts by the radical restructuring and re-association of existing ideas (Heap, 1989). However, the research on individual creativity produced complex interpretations related to creativity as a personal trait (e.g. MacKinnon, 1962; West, 1997) and creativity stimuli (e.g. Farr and Ford, 1990; Amabile, 1998). A distinctive set of innovation literature also distinguished between creativity as a personal trait and creative behaviour as precedent to innovation. For example, the early study by MacKinnon (1962) of the 40 most creative architects in the USA propounded that this group exhibited the trait of high independence from other colleagues. West (1997) further postulated that creative individuals have intellectual and artistic values, and are attracted to ambiguous and complex situations. In another respect, creativity has been interchangeably linked with the idea generation aspect of the innovation process (i.e. Amabile, 1983; Mumford and Gustafson, 1988).

*Corporate entrepreneurship* was identified as another dominant theme in the literature concerned with individually initiated idea generation. There is wide consensus in previous literature that innovation and entrepreneurship are closely linked (Covin and Miles, 1999; Stopford and Baden-Fuller, 1994). McFadzean *et al.* (2005) argue that the attitudes and activities of corporate entrepreneurs encourage innovation. *Opportunity recognition* is identified as crucial conduct in *corporate entrepreneurship*. Research has suggested two interrelated phases of Opportunity Recognition activities, as (1) the identification of an opportunity (Grégoire *et al.*, 2010) also known as the formulation of the problem (Hsieh *et al.*, 2007), and (2) the evaluation of the opportunity with respect to the possible value of taking it (Grégoire *et al.*, 2010) or solution seeking (Hsieh *et al.*, 2007). Baron (2006) distinguished between two sets of *opportunity recognition* activities as *alertness* and *search*. *Alertness* refers to the ability to recognise opportunities when they exist, while the *search* concept represents the task of identifying market events, trends and changes.

## 2.6. Management Coordination and Control

It has been advocated that innovative service companies possess a dual structure that consist of both an informal social system producing ideas and a management system that inspires employees and selects the ideas that are to be developed (Toivonen and Tuominen, 2009). The study of Sørensen *et al.* (2013) concluded a similar integrative approach where it conditioned the existence of an *organisational support system* to nurture service encounter-based innovation, both practice-based and management directed, which highly depends on frontline employees' creativity and generation of innovative ideas. Sørensen *et al.* (2013) further conditioned three elements of the organisational support system including: (1) *Organisational confidence*; that is management's trust in capabilities of frontline employees reflected in acceptance and signifying of employees' ideas. (2) *Correspondence capabilities* in linking between front and back-offices including effective communication and elimination of cultural barriers, while (3) the *decision capacity* denotes the management's capability to choose among frontline employees' innovative ideas.

Adversely, Sundbo (2011) identified six *blocking mechanisms* in four different types of service organisations depending on their size and character as: (1) *Entrepreneurial overload*; typically in service companies dominated by the owner-entrepreneur who can be so actively engaged in many projects resulting in lack of social interaction or even empathy towards users or employees' ideas. (2) *Organisational structure*; where a service company is dominated by a hierarchical management structure that is not used to innovation and lacks structure to facilitate innovation processes. (3) *Corporate culture*; management attitude lack of real belief that users or employees' ideas are useful or when employees are not used to participate in innovation processes. (4) *Procedures*; when employees prioritise other work tasks other than innovation or when common procedures to develop innovations do not exist. (5) *Time and money resources*; no fixed time or personnel budget for innovation, particularly in smaller service companies. (6) *Technology and knowledge*; unavailability of new technology necessary for developing innovation or lack of procurement of necessary knowledge.

From another perspective, effectual global coordination and integration are believed to have been widely recognised as fundamental determinants for creating competitive advantage for multinational corporations. Unity, integration and collaboration between

organisational units are key characteristics of the globally thriving organisation. The concern in the context of this research is with the influence of applying such globally oriented methods to reinforce management control over local subsidiary functioning and procedures including employees' *innovative behaviour*. The remainder of this section reviews the theoretical framework related to multinational corporations' management control mechanisms.

Effective cross-border coordination can be evaluated upon four established constructs, which also can be used as mechanisms to control the international subsidiary behaviour, namely, *autonomy*, *formalization*, *socialization*, and *communication* (Persaud, 2005). Previous research suggested that a higher degree of bureaucratic control inhibits creativity and innovation (Thompson, 1967; Aiken and Hage, 1971), and as a result *autonomous* subsidiaries are expected to play a greater contributory role (Taggart and Hood, 1999). *Formalisation* involves headquarters HQ monitoring through formal systems, established rules and prescribed procedures (Mintzberg, 1979), and is advocated because it is expected to reduce conflict by providing a structured context for collaboration and exchange (Tushman and Anderson, 1997). In *socialisation* control theory (Van Maanen and Schein, 1979), subsidiary managers' values become closely aligned with those of HQ (Schein, 1968; Gupta and Govindarajan, 1991), and are another mechanism to increase collaboration among international subsidiaries. And finally *communication*; although found to be different in nature between the HQ and subsidiaries from one perspective and between subsidiaries from another (i.e. Ghoshal *et al.*, 1994; Marschan, 1996), effective communication patterns of both types tend to increase collaboration (Persaud, 2005).

In addition to *socialisation* or *corporate acculturation*, Chung *et al.* (2000) further identified another form of subsidiary behaviour control as control through *expatriate managers*. In comparison with *socialisation*, this is a more direct mechanism to control subsidiary behaviour, where *expatriate managers* are assigned to key management positions in foreign subsidiaries to monitor and evaluate behaviour. According to Scullion (1994, p. 90), '*expatriates were felt to be more familiar with the corporate culture and the system of headquarters, and this was felt to result in more effective communication and co-ordination*'.

In general, many forms of control mechanisms to activate a collaborative relationship between the HQ and international subsidiaries have been presented. According to Chung

*et al.* (2000) traditional mechanisms of multinational corporations MNC-subsidiary network control can be largely categorised as either *output* or *behavioural controls*. Output control takes the form of performance reporting systems, whereby performance assessment is based on comparison against specified targets (Egelhoff, 1984); while on the other hand, behaviour control is conducted by specifying the actions necessary to operate successfully (Hamilton *et al.*, 1996).

Alternatively, Roth and Nigh (1992) conceptualised the collaboration between the HQ and subsidiaries in the form of a relationship that could be facilitated by either control or coordination mechanisms, but to achieve an effective relationship control mechanisms should not be employed exclusively. Organisational coordination, referring to the collaborative actions taken to achieve a unity of efforts within the organisation (Lawrence and Lorsch, 1967), is advocated by Roth and Nigh (1992) to positively influence subsidiary managers' perceptions of the HQ-subsidiary relationship for three reasons. First, as compared to control, coordination is less intervening and costly (Cray, 1984); second, mutual dependency between the HQ and subsidiaries is usually characterised by a high level of cooperation (Ghoshal and Nohira, 1989); and thirdly, the recognition among subsidiary managers that joint efforts will allow the arrival at a better outcome than if achieved independently. Additionally, Roth and Nigh (1992) postulated that constructing a collaborative HQ-subsidiary relationship could be more successfully achieved through maintaining a balance between using control and coordination mechanisms, effectively matching coordination with the appropriate level of control.

More specifically to the hotel industry, the appointment of international hotel managers is widely accepted as an effective technique to control overseas operations (Ozdemir and Cizel, 2007). The logic behind this is as transnational or/and multinational hotel companies are increasingly dominating the international hotel market (Wu *et al.*, 1998), international operations inherently engender managerial problems such as who will effectively manage the property in markets where companies have little or no previous experience (Shay and Tracey, 1997). Consequently, international managers are expected to add a competitive advantage to multinational companies in the way that skilled expatriate managers effectively manage overseas subsidiaries (Harvey, 1996).

Ozdemir and Cizel (2007, p. 177) further identified this strategic means of control as *'the international hotel manager operates in different parts of the world and sees the whole*

*world as one global village, he/she has the prized ability of being able to work with people with different personalities in different countries, and who has gained diverse experiences through working in varied types of hotels in many countries with distinct culture*'. From this definition it is apparent that among the competitive advantages that could be achieved through international hotel managers exceeds coordination and control of overseas subsidiaries (Harris and Holden, 2001; Hazing, 2001; Paik and Sohn, 2004) via the utilisation of learning and knowledge that expatriate managers develop during overseas assignments (Antal, 2001).

## 2.7. Motivation

Due to the extreme work load and the significant role that hospitality frontline employees are expected to deliver throughout the service delivery process (Zohar, 1994; Buick and Thomas, 2001), it is widely recognised that those employees are usually exposed to high levels of work-related stress (Tabacchi *et al.*, 1990; Anderson and Pulich, 2001), which since the 1970s has been commonly referred to by the term *burnout* in the services industry (Walters and Raybould, 2007). Vallen (1993) additionally described employee *burnout* as the collection of problems experienced in the workplace that results in a negative interface between individuals and their environment.

Maslach (1982) identified three common consequent dimensions of *burnout* as, emotional exhaustion, depersonalisation or cynicism and reduced personal accomplishment also known as reduced personal efficacy. Within the First dimension, research revealed that exhaustion is the most commonly experienced symptom of *burnout* (i.e. Perlman and Hartman, 1982) and also associated exhaustion with the feeling of not being psychologically able to contribute to organisational activities (Jansen *et al.*, 1996). The second dimension related to cynicism was also associated with callousness and cynicism towards colleagues, customers and the organisation (Walters and Raybould, 2007). Finally, the third dimension related to personal accomplishment was associated with individuals' tendencies to negatively evaluate themselves as they perceive a decline in job capabilities and successful achievements in their work.



To avoid the negative effects caused by employee *burnout*, it would be essential for services managers to consider applying the appropriate methods to motivate employees towards fulfilling their core responsibilities as well as effectively contributing to the organisation through *innovative behaviour*. To incentivise employees to become more involved in innovation conduct, Sørensen *et al.* (2013) proposed creating the *front-office innovation climate* in order to encourage frontline employees to generate ideas through interacting directly with the service users. Sørensen *et al.* (2013) further conditioned that for nurturing frontline employees' practice-based innovation to generate contemporary ideas, three interrelated aspects of *front-office innovation climate* should be present including: (1) *Entrepreneurial working values*; denoting frontline employees' drive for improving and changing services they deliver. (2) *Social intelligence* helps employees to understand, observe and take seriously the needs of users. (3) *Recognition incentives*; management recognition may highly assist in creating an *innovation climate*, and *vice versa* frontline employees may refrain from providing their input when they feel that their ideas are not taken seriously, i.e. if they were not transformed into new or improved services, or when they are not informed about the progress of their ideas.

In general, motivation is a widely studied area with diverse dimensions and applications, and it would be useful in the context of this research to review the classic theoretical framework addressing the rational of motivation from an employee's dimension. According to Buchanan and Huczynski (2004), individual motivation can be explored from three distinct but related perspectives, *Goals*, *Decisions* and *Influence*, of which each perspective is addressed by the three main theories of motivation (see Table 2.10).

Perspective	Description	Related Theory
<b>Goals</b>	What are the main motives for our behaviour? This perspective views motivation in terms of desired goals.	<b>Content Theories</b>
<b>Decisions</b>	Why do we choose to pursue certain goals? This perspective views motivation in terms of the cognitive decision-making process influencing an individual's choice of goals.	<b>Process Theories</b>
<b>Influence</b>	How can we motivate employees to work harder? This perspective views motivation as social influence.	<b>Job Enrichment Theories</b>

(Table 2. 10: Motivation Theories and Perspectives; adapted from Buchanan and Huczynski, 2004, p. 243)

Among the *content theories* of motivation is Maslow's (1943, 1954, 1971) widely recognised hierarchy of needs theory, which concluded that humans have nine innate needs or motives, and that as humans work their way up through the needs hierarchy a need is not an effective motivator until those needs at lower levels in the hierarchy are more or less satisfied. Criticism of Maslow's motivation theory have led to the emergence of other theories such as the existence, relatedness and growth ERG *motivation theory*, where Alderfer (1972) argued that it would be more realistic to consider three basic categories of needs, namely, *existence* (physiological and safety needs), *relatedness* (affiliation and esteem needs) and *growth* (self-actualisation and self-esteem needs); and unlike the progression of Maslow's theory hierarchies, the ERG *theory* concluded that all the three categories identified can be satisfied at any one time. In addition, Ritchie and Martin (1999) argued that managers should find out what motivates their employees, and the authors (1999) further optimised a practical tool that may help guide managers to respond to employees' motivational issues. In essence, twelve motivation drivers were drawn contemporarily from the data generated from a questionnaire completed by 1,355 managers and other professionals. As depicted in Table 2.10, individuals may fall between the two spectrums of High-Need individual and Low-Need individual of each motivating factor.

Motivating Factor	The High-Need Individual	The Low-Need Individual
Interest	Need to feel that work is intrinsically interesting and useful	Will do work regardless of its intrinsic interests or usefulness
Achievement	Need to set self-challenging goals; requires constant stimulation	No motivation for achievement
Recognition	Need for constant recognition and appreciation	Indifferent to other people's views about them; possibly insensitive to others
Self-Development	Need to grow and develop; assesses work in terms of its contribution to personal growth	Does what is required, does not assess in terms of contribution to personal development
Variety and Change	Need for constant variety, change and stimulation	Happy to tolerate the mundane and boring
Creativity	Explorative, creative and open-minded; curious and thinks divergently	Little need for creative thinking; lacks curiosity; can be closed minded
Power and Influence	Strong impulse to influence others, competitive power drive dominates personality	No wish to attempt to exercise influence
Social Contact	Need for light social contact with a wide range of people	Feels no compelling need for company; but is able to work with others if necessary

Table 2.10 continued

Money and Tangible Rewards	Need for high salary and tangible rewards; concentrates on monetary rewards	Spends little energy thinking about reward; indifferent to money as a motivator
Structure	Need for rules and structure, feedback and information; wants procedures	Finds rules and structures restrictive; wants freedom; feels no need for compliance
Relationships	Need to form and sustain stable long-term relationships with a small number of people	Feels no need to maintain deep relationships; is able to work with people if necessary
Physical Condition	Needs good working conditions; constantly complains if not physically comfortable	Largely indifferent to physical surroundings

(Table 2. 1: Employees' Motivating Factors vs. Low-High-Need Spectrums; Ritchie and Martin, 1999, pp.11-22 and 245-246)

Unlike content theories, *process theories* of motivation maintain that motives are not totally innate but also develop through personal experiences and cultural influences, though more emphasis was placed on individuals' cognitive decision making roles in selecting goals and the means by which they would be achieved. These means include *equity theory* (Adams, 1963; 1965), which argues that individuals are motivated to act in situations they perceive as inequitable or unfair, with inequity occurring when individuals are both *under-rewarded* and *over-rewarded*. Adams (1963; 1965) further argued that the higher the perceived inequity, the more tension and motivation there is to act. However, empirical evidence shows that over-reward can also lead to people compensating inequity by working harder; thus, from a management perspective this can lead to greater job satisfaction and organisational commitment (Sweeny *et al.*, 1990).

The original work of the American psychologists Edward Tolman (1932) and Kurt Lewin (1935) has led to the emergence of another process theory, the *expectancy theory* of motivation, which argues that motivation depends on valence of outcomes and the expectancy that certain efforts will lead to good performance, and eventually that good performance will produce valued outcomes. Vroom (1964) also contributed to expectancy theory by developing the first *expectancy theory* related to work motivation that was based on three aspects: *valence*, *instrumentality* and *expectancy* (see Table 2.11). Vroom's (1964) *expectancy theory* is best represented in the following equation  $F = \Sigma (V \times I \times E)$ , where F is the force of motivation and the result of multiplication of the three variables; with all three variables needing to be in positive value to produce positive force of motivation.

Valence	Instrumentality	Expectancy
The perceived value or preference that an individual has for a particular outcome; it can be positive, negative or neutral.	The perceived probability that good performance will lead to valued reward; measured from 0 (no chance) to 1 (certainly)	The perceived probability that effort will result in good performance; it is measured from 0 (no chance) to 1 (certainly)

(Table 2. 11: Expectancy Theory Equation Aspects; Vroom, 1964, in Buchanan and Huczynski, 2004, pp. 254-255)

*Expectancy theory* was eventually developed further by Porter and Lawler (1968) and Lawler (1973) into a more comprehensive theory of work motivation that included additional detailed variables that contributed to job performance.

*Goal setting theory* (Locke, 1975; Latham and Yukl, 1975) is also considered among the process theories of motivation despite the main advocate of the theory (Locke, 1975, p. 465) arguing that '*goal-setting theory is more appropriately viewed as a motivational technique rather than a formal theory*'. According to Locke and Latham (1990), goal-setting theory has established the following main propositions:

- i. Challenging Goals, also known as stretch goals, lead to a higher level of performance, unless goals were higher than employees' abilities.
- ii. Specific Goals, (i.e. the SMART goal acronym) help avoid confusion and deliver higher levels of performance which are better than vague or ambiguous goals.
- iii. Participation in goal setting can lead to more commitment, and therefore higher levels of performance.
- iv. Feedback or knowledge of past performance results can both help motivate employees or adjust behaviour for future performance.

(Locke and Latham, 1990)

*Job enrichment* motivation theory was first developed in the work of Frederick Herzberg (1966; 1968), with the data generated from interviewing 203 Pittsburgh engineers and accountants revealing that factors leading to job satisfaction are different from those that led to job dissatisfaction; therefore, two sets of factors were identified, the motivating factors (related to job content; i.e. achievement, recognition) and the *hygiene* factors (related to the organisational context; i.e. company policy, working conditions). Herzberg (1968) also distinguished between intrinsic and extrinsic rewards and further argued that the improvements in *hygiene* or organisational factors will only remove dissatisfaction

without increasing motivation, instead Herzberg (1968) advocated that applying vertical loading factors would help achieve job enrichment (see Table 2.12).

Vertical Loading Factors	Intrinsic Rewards	Extrinsic Rewards
Methods of enriching work and improving motivation through removing controls, increasing accountability, feedback, special assignments and additional authority	Valued outcomes or benefits as perceived by the individual such as feelings of satisfaction, competence, self-esteem and accomplishment	Valued outcomes or benefits as perceived by others such as promotion, pay increase, a bigger office desk, praise and recognition.

(Table 2. 12: Job Enrichment Theory Motivating Factors; adapted from Herzberg, 1968, in Buchanan and Huczynski, 2004: 260-261)

Another form of job enrichment motivation theory is the *job sculpting* metaphor (Butler and Waldroop, 1999), which was based on the notion that educated high-achievement individuals are mobile as they can succeed in different jobs, and they are likely to move on when work does not match their life interests. Butler and Waldroop (1999) suggested that after discovering individuals' life interests, additional tasks should be assigned to the core work responsibilities; i.e. an engineer with interest in influence through ideas could help design sales support materials and manuals.

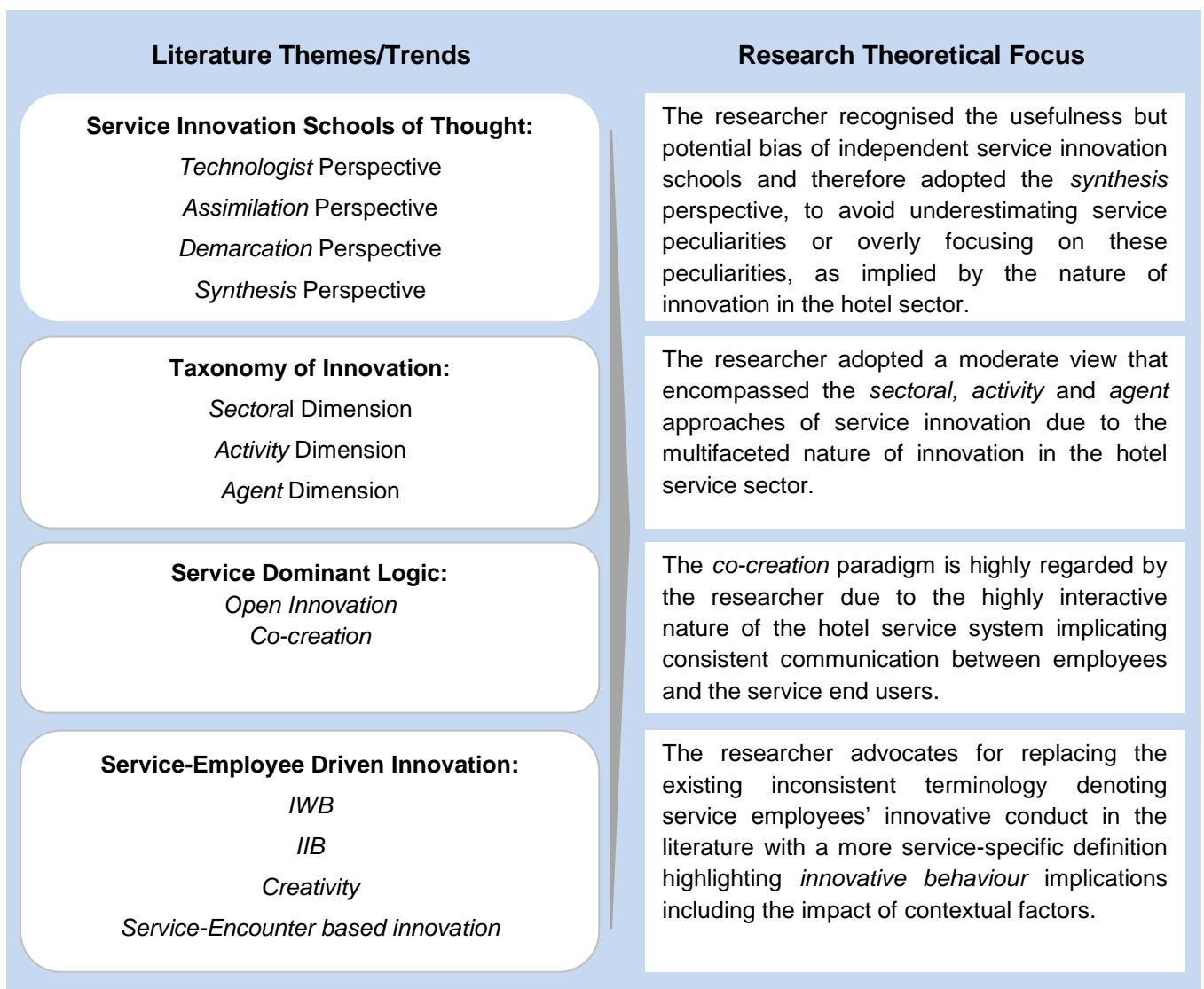
## 2.8. Concluding Remarks

Research on service innovation is gaining further popularity due to the economic significance of the sector and the rapidly increased recognition of the peculiarities of services. The amount of research on service innovation increasing significantly during the last decade leading to the emergence of competing schools of thought that underpin innovation in the service sector in contrast to the manufacturing industrial sector innovation theories.

Despite the role of service employees in initiating innovation is receiving greater interest, there is little understanding of how this role is conducted. In fact, the review of the previous literature revealed considerable paucity in research on the nature and impact of *service employees' innovative behaviour* in initiating innovation, where it can be determined that there is little or no evidence within personal-interactive services literature of any significant theoretical underpinning of *service employees innovative behaviour* leading to innovation. Nevertheless, multiple terminologies exist inconsistently in the

service innovation literature denoting *innovative behaviour patterns*, without phrasing a clear terminology that connects the related literature on service innovation.

The review of the established literature revealed consistent tendency in comparing both service and manufacturing innovation theories; while the *demarcation* approach emerged as a trend that addressed the peculiarities of services and dedicated more effort to distinguish services, the *synthesis* approach postulated bringing together theories from service and manufacturing innovation research after highlighting the characteristics of services. In essence and as depicted in the theoretical framework in Figure 2.6, this research follows a moderate view by adopting the *synthesis* perspective that recognise the peculiarities of service innovation in addition to relevant theories developed in innovation management, strategic management and organisational behaviour.



(Figure 2. 6: Research Theoretical Framework)

### **3. Chapter Three: Research Methodology and Design**

#### **3.1. Introduction**

In this chapter, the research methodology and design are explained by initially outlining the researcher's philosophical stance in relation to ontology and epistemology. In line with the research's methodological stance, the research strategy and methods applied to collect the data are justified from a philosophical viewpoint.

A comparison is held between the advantages and shortcomings of the applied research strategy and the choice of data collection methods is made in this chapter, where further discussion highlights the practical implications and commencement of data collection methods, and provides an explanation of the data analysis strategy.

The remaining sections of this chapter highlight the measures undertaken by the researcher to maintain validity throughout the research stages and verify the research's ethical framework in agreement with both Liverpool John Moores University and Andromeda Hotels' research ethics and confidentiality guidelines.

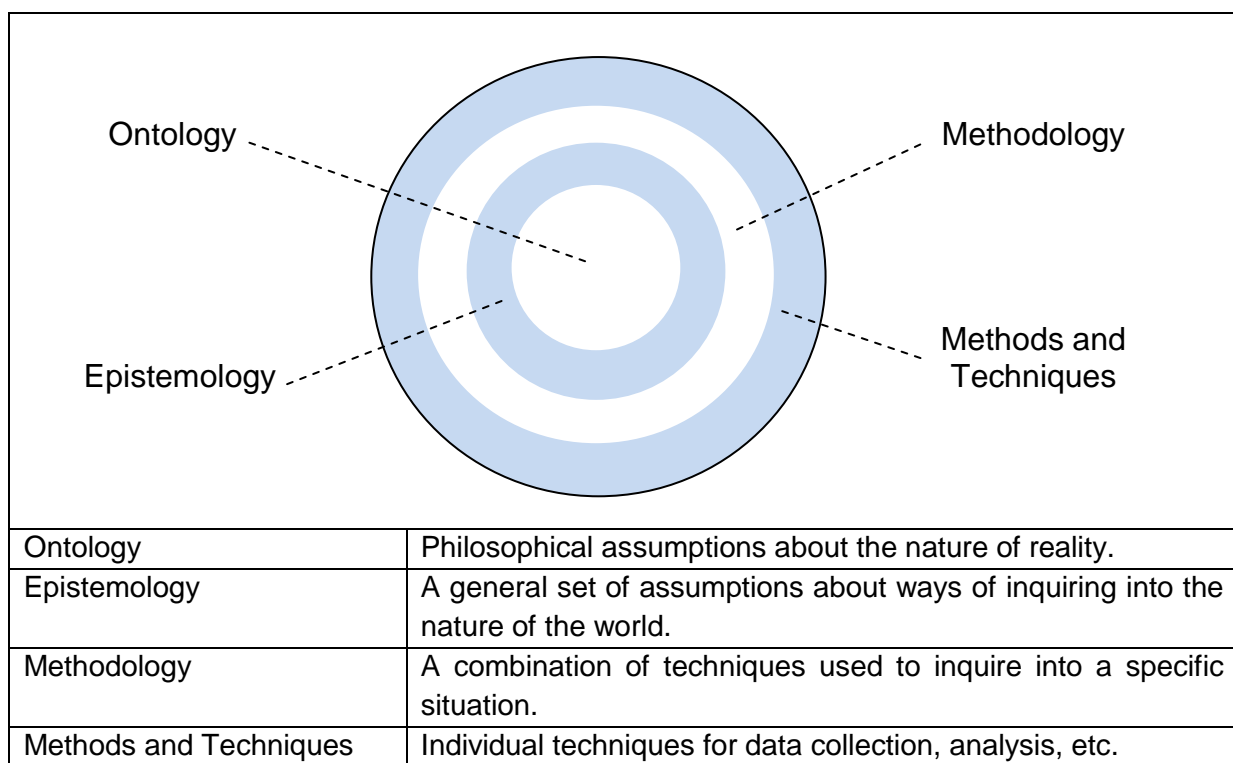
#### **3.2. Research Methodology and Philosophical Stance**

The debate on ontological and epistemological assumptions has preoccupied philosophers since the early days of human civilisation, and has lent itself to debates by social scientists for centuries, and will for many years to come. At the extreme of the anti-philosophical viewpoint, philosophical underpinning of social research may be perceived as irrelevant, and therefore more value should be placed on the practice and products of research with little tolerance of discussions on the research philosophy. This view was not only advocated by expressing that philosophical debate can easily become a distraction, but also by warning that engaging in philosophical discussion could simply be replacing one set of problems with another (Hammersley, 1992), and that since some researchers combine the research methods of contrasting philosophical arguments, i.e. qualitative and quantitative methods, philosophically-driven debates on research methodology should be avoided altogether (Hammersley, 1995; Silverman, 1993).

Hammersley (2002) further argued that there is no escape from philosophical assumptions, most probably because a research methodology is only one of three



elements of the framework that researchers either explicitly or implicitly work within; the other two elements being ontology and epistemology (Guba and Lincoln, 1994). In conjunction, the three elements of this framework can be regarded as the '*basic belief system or the worldview that guides the investigator*' (Guba and Lincoln, 1994, p. 105). The relationship between the three elements is probably best described as being complementary in the researcher's task to explore phenomena. Easterby-Smith *et al.* (2012) also advocated for the complementary relationship between elements of the researcher's *worldview*, of which they presented as connected layers of a tree trunk, but further added a fourth element to the original framework of Guba and Lincoln (1994) (see Figure 3.1). The updated framework of Easterby-Smith *et al.* (2012) additionally provides useful insight in distinguishing and depicting the relationship between the four elements of the research design that regularly cause confusion for many researchers, i.e. ontology and epistemology, or methodology and methods.



(Figure 3. 1: Researcher's Worldview; adapted from Easterby-Smith *et al.*, 2012)

The research approach in recognising the nature of reality and existence and how to explore and identify this reality in the most rigorous way, represented in the above framework by the two earlier steps as researchers' ontological and epistemological assumptions, form the basis of the conflicting debate between philosophers, and where



most philosophical problems and incongruity about the true representation of reality arise; such assumptions may seem to be unavoidable (Hammersley, 1992). In this respect, answering a question relevant to a specific event or phenomenon incorporates two aspects: the explanandum, representing the event or pattern to be explained; and the explanans, which refers to the circumstances that are believed to explain the event/pattern (Little, 1991).

Thus, scientific explanation provides us with different interpretations of the causes of the observed phenomenon (Scruton, 1996), and eventually those interpretations could progress as predictions that may also be perceived as initial conditions surrounding the recurrence of the phenomenon. In most types of science, the conditions causing phenomena might often be described as *causal laws*. One of the major contributions of science to humanity is by applying the predetermined *causal laws* to actualise a desired outcome; i.e. in order to achieve result (X) in situation (Y), apply solution (Z).

This classic view of science has been prevalent in social research, especially in its formative years and also within some sections of the social research community, simply because the success of natural science in providing explanations in the fields of physics, chemistry, biology, medicine, etc. has encouraged social researchers to develop a similar approach to explain the social world (Denscombe, 2002) depending on the following assumptions:

- i. Patterns and regularities, causes and consequences exist in the social world just as in the natural world.
- ii. Patterns and regularities in the social world exist independently of the researcher.
- iii. The purpose of social research is to apply scientific methods to explore phenomena in the social world.
- iv. Positivism places heavy reliance on empirical observation.
- v. The research methods and techniques applied should measure or explain the phenomenon without altering or impinging the findings.
- vi. The researcher needs to retain a neutral stance and remain detached and impartial to the phenomenon studied.

(Denscombe, 2002)

The debate on the applicability of the objective scientific approach, also known as realism, to social science produced the two polar ontological orientations of realism and nominalism. The realist orientation's primitive philosophical argument is that reality exists independently of the researcher's mind (Harré and Madden, 1975; Bhaskar, 1978), while the opposing position of nominalism assumes that the human conclusion of reality is critical, and further argues that social reality is the creation of humans through language and discourse (Cunliffe, 2001). Both contradicting orientations received criticism for their radical and abstracted views, leading to alternative ontological positions (see Table 3.1); while frustration with the realism position resulted in the emergence of *subtle* realism (Hammersley, 1992), also known as internal realism, as an alternative orientation to resolve the ambivalence between *crude* or *naive*<sup>1</sup> realism and relativism<sup>2</sup> (Latour and Woolgar, 1979). Subtle realism retains from naive realism that research investigates independent phenomena but breaks with it in denying that researchers have direct access to those phenomena, where here it shares with relativism that knowledge is based on assumptions and human construction. Relativism may also entail some problems, assuming that if knowledge is culturally relative and claiming to be true then it would only become true within its cultural framework and may also be false from the perspective of other cultures or frameworks, while similarly that cultures and frameworks are subject to being identified by individuals in a way that protects the validity of their beliefs (Hammersley, 1992).

Ontology	Realism	Internal Realism	Relativism	Nominalism
Truth	Single truth	Truth exists, but is obscure	There are many truths	There is no truth
Facts	Facts exist and can be revealed	Facts are concrete, but cannot be accessed directly	Facts depend on viewpoint of observer	Facts are all human creations

(Table 3. 1: Four Ontological Orientations; Easterby-Smith *et al.*, 2012, p. 19)

In view of the preceding discussion, the principle orientation of this research ontology and the epistemological and methodological remaining elements of the research design adopt the relativist ontological stance. The justification behind adopting relativism is that a

<sup>1</sup> Naive Realism: a version of direct realism that takes sensible qualities to be the intrinsic properties of material objects and for these objects to have all the properties they are perceived to have (Mäki, 2001, p. 12816).

<sup>2</sup> Relativism: an ontological view that phenomena depend on the perspectives from which we observed them (Easterby-Smith *et al.*, 2012, p. 345).

moderate position between realism and nominalism should be maintained as the research aims to investigate phenomena related to human behaviour; moreover, the nature of the research inquiry involved the investigation of *service employees' innovative behaviour* that is likely to produce innovation which is a measurable object in its own right, and at the same time the development of the research objectives evolved through reviewing and then making subjective conclusions of relevant literature that reflected substantial paucity.

In connection, the research's ontological position influenced the epistemological approach and eventually the choice of methods applied to achieve the research objectives. In social science, the alignment and agreement between ontological and epistemological orientation of any research is commonly advocated, but not regularly implemented in practical terms; such as when ontological philosophies and epistemological approaches are determined by social scientists, depending on how they would distance themselves from phenomena and accordingly design their approach to explore the social world. Two contrasting epistemological views on how social science should be conducted emerged: the positivist and interpretive paradigms.<sup>1</sup> Positivism,<sup>2</sup> also described as logical positivism, was originally developed by the French philosopher Auguste Comte in the 19<sup>th</sup> century and assumed that the properties of the social world should be measured through objective methods, as they remain external to the researcher's mindset. In contrast to positivism, the interpretive paradigm assumed that social action could be systematically measured through the interpretation of human construction of meaning (Neuman, 2000).

Although positivism flourished in social science for many years and remains politically dominant in academic research, it was also heavily criticised for its exclusion of the discovery dimensions in inquiry and the under-determination of theory (Deshpande, 1983; Guba and Lincoln, 1994). Blumer (1969) further criticised positivism-influenced research methods such as experimental and survey research for failing to grasp the distinctive nature of human social life. Similarly, Bhaskar (1979) proposed that social systems cannot be understood adequately as closed structures due to the variations in meanings and interpretations, and the internal relationships between their members. Positivism, though,

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<sup>1</sup> Paradigm: a set of basic beliefs, or metaphysics, that deals with ultimates or first principles. It represents a worldview that defines, for its holder, the nature of the world, that is, the individual's place in it, and the range of possible relationships to that world and its parts (Guba and Lincoln, 1994, p. 107).

<sup>2</sup> Positivism: the philosophy of Comte, holding that the highest or only form of knowledge is the description of sensory phenomena (The Oxford Dictionary of Philosophy, 2008, p. 284).

may not be appropriate for conducting this research due to the complex social implications, where individual conceptions and relationships reflect meaningful interpretations.

In general, the frustration with positivism for failing to explore composite social systems has led to the emergence of alternative philosophical paradigms; the philosophical assumptions on epistemology supported the four main paradigms of positivism, postpositivism, critical theory and constructivism (Guba and Lincoln, 2005; Sobh and Perry, 2006) (see Table 3.2).

Item	Positivism	Postpositivism	Critical Theory	Constructivism
<b>Ontology</b>	Naive realism; real reality but not apprehendable.	Critical realism; real reality but only imperfectly and probabilistically apprehended.	Historical realism; virtual reality shaped by social, political, cultural, economic, ethnic and gender values. Crystallised over time.	Relativism; local and specific constructed realities.
<b>Epistemology</b>	Dualist, objectivist; true findings.	Modified dualist, objectivist; critical tradition, community. Findings probably true.	Transactional, subjective; value mediated findings.	Transactional, subjective; created findings.
<b>Methodology</b>	Experimental, manipulative; verification of hypotheses. Chiefly quantitative methods.	Modified experimental, manipulative; critical multiplism. Falsification of hypothesis may include qualitative methods.	Dialogical, dialectical.	Hermeneutical, dialectical.

(Table 3. 2: Basic Beliefs of Alternative Paradigms; Guba and Lincoln, 2005, p. 193)

In the view of the researcher, the nature and scope of the research inquiry implied an interpretive epistemological leaning when investigating patterns of *service employees' innovative behaviour*, but at the same time not totally dismissing the objective aspect related; as actual innovations are usually the outcome of *innovative behaviour*, this was acknowledged even before data collection commenced. A social constructionist<sup>1</sup> approach

<sup>1</sup> Constructivism: originally proposed by sociologists of science, constructivism or social constructivism is a view about the nature of scientific knowledge held by many philosophers of science. Constructivists maintain that scientific knowledge is made by scientists and not determined by the world. This makes constructivists anti-realists (Concise Routledge Encyclopedia of Philosophy, 2000, p. 855).

appeared to be more pertinent during the earliest stages of data collection, when identifying emerging constructs of phenomena through respondents' detailed accounts of events and *innovative behaviour patterns* along with the researcher's own intuition.<sup>1</sup> In social constructivism, due to its transactional and subjective nature (review Table 3.2), the researcher and the object of investigation are assumed to be interactively linked so that the findings are literally created as the investigation proceeds (Guba and Lincoln, 2005).

### 3.3. Design of Research Strategy and Methods

The design of the appropriate research methods in connection with the research aims and questions implied careful consideration of composite real life incidents and relationships implicated in the service system to be researched. Yin (2009) conditioned three main determinants of research methods (see Table 3.3): one, the type of research question posed; secondly, the extent of control an investigator has over actual behavioural events; and thirdly, the focus on contemporary as opposed to historical events.

Method	Form of Research Question	Requires Control of Behavioural Events	Focuses on Contemporary Events
Experiment	How? Why?	Yes	Yes
Survey	Who? What? Where? How many? How much?	No	Yes
Archival Analysis	Who? What? Where? How many? How much?	No	Yes/No
History	How? Why?	No	No
Case Study	How? Why?	No	Yes

(Table 3. 3: Determinants of Research Methods; COSMOS Corporation in Yin, 2009, p. 8)

The scope of research, which is *service employees' innovative behaviour*, is rich and complex in its context, and therefore requires closer assessment and observation in the form of qualitative case study research; case study research is commonly considered as a methodological choice, where in fact it is a choice of what is to be studied (Stake, 2005). In connection, the application of case study research was applied to achieve the research aims and was accordingly based on two determinants. Firstly, and in relevance to the research questions, the exploration of how *service employees' innovative behaviour* is

<sup>1</sup> Intuition: a non-inferential knowledge or grasp, as of a proposition, concept or entity, that is not based on perceptions, memory or introspection (The Cambridge Dictionary of Philosophy, 1999, p. 442).

conducted and the implications of contextual determinant factors entail investigating subjective details of *innovative behaviour patterns* that require closer in-depth assessment. Secondly, due to the fact that the research area is empirically under-explored, the type of enquiry requires direct observation and interaction (Ghauri, 2004).

Qualitative case study research is recognised as being applied in different forms; exploratory or descriptive cases (Yin, 2009), instrumental or expressive cases (Stake, 2005), and most commonly singular or multiple comparative cases. The interest in this research, however, is to realise two aims for applying case study research: the use of exploratory case study to unravel the nature, impact and contextual determinants of *service employees' innovative behaviour* that have not been sufficiently explored in previous research, and the investigation of multiple case studies to compare and contrast and replicate findings across researched cases.

A number of limitations were also associated with case study research methodology, where it is classically perceived as being difficult to implement and as being considered less favourably by research funding bodies. Yin (2009) referred to criticism of case study research as traditional prejudice, and respectively highlighted the following points:

- i. Lack of rigour in case study research when many researchers do not follow a systematic procedure or allow biased views to influence the research findings.
- ii. Epistemological concerns about case study research's ability to provide universally generalised findings.
- iii. Implementation shortcomings in terms of the duration of research and the consequential overwhelming data.
- iv. Renewed emphasis on randomised field trials or true experiments to establish valid causal relationships, which cannot be directly addressed through case study research.

(Yin, 2009)

In recognition of the traditional criticism of case study research methodology and in comparison to the related advantages that could be realised, that are mainly the thoroughness of analysis and interpretation, and the triangulation of research methods (Silverman, 1985; Scapens, 1990; Spicer, 1992; Yin, 1994), it was determined that case study research is most appropriate to achieve the aims of this research. Yet, there were some necessary measures to be undertaken to ensure the rigorous application of this

approach; one is the pre-identification of the unit of analysis and a primitive road map of the research stages, such as the structured framework provided in Eisenhardt (1989), and consequently a similarly structured approach was adopted, as will be discussed in the following sections (see Table 3.4). Secondly, the investigation of multiple case studies to allow comparison and replication of case findings. *Thirdly*, the investigation of micro case studies that are critical incidents of innovation projects within cases, commonly known as embedded cases (Easterby-Smith *et al.*, 2012), along with the combination of multiple qualitative research methods to *triangulate* evidence.

Stage	Activity	Reason
Getting Started	Defining of research questions, unit of analysis and conceptual framework.	<ul style="list-style-type: none"> <li>■ Focuses efforts</li> <li>■ Provides better understanding for construct measures</li> <li>■ Retains theoretical flexibility</li> </ul>
Selecting Cases	Theoretical, not random sampling.	<ul style="list-style-type: none"> <li>■ Constrains extraneous variation and sharpens external validity</li> <li>■ Focuses efforts on theoretically useful cases</li> <li>■ Conceptual categories</li> </ul>
Crafting Instruments and Protocols	Multiple data collection methods.	<ul style="list-style-type: none"> <li>■ Strengthens grounding of theory by triangulation of evidence</li> <li>■ Synergistic view of evidence</li> <li>■ Fosters divergent perspectives and strengthens grounding</li> </ul>
Entering the Field	Overlap of data collection and analysis. Flexible and opportunistic data collection methods.	<ul style="list-style-type: none"> <li>■ Speeds analysis and reveals helpful adjustments to data collection</li> <li>■ Allows investigators to take advantage of emergent themes and unique case features</li> </ul>
Analysing Data	Within-case analysis. Cross-case pattern search using divergent techniques.	<ul style="list-style-type: none"> <li>■ Gains familiarity with data and preliminary theory generation</li> <li>■ Forces investigators to look beyond initial impressions and see evidence through multiple lenses</li> </ul>

(Table 3. 4: Case Study Research Progress Framework; adapted from Eisenhardt, 1989)

### 3.3.1. Definition of Research Questions

The multipart constructs, relationships and behaviour patterns incorporated within the three service systems to be explored, as forms of social systems, are projected to generate an overwhelming amount of unguided subjective details that may prove to be difficult to analyse and cannot be precisely interpreted into productive outcomes. Maxwell (2013) correspondingly outlined the function of a pre-defined research question in relation

to research design as to filter the data volume to help focus the study and to give guidance on how to conduct the research, but also further cautioned (2013) that producing a research question that is too general could create difficulties for the researcher in practical research implementation; while narrowing the research question to too focused areas could result in creating tunnel vision and ignoring other findings’ aspects that may also be important to the research goals; therefore a balanced approach should be maintained. A pre-defined research question was applied most purposefully to overcome this; the pre-definition of the research questions serves two purposes: (1) to rationally reduce the data to the boundaries of the research aims, and (2) to maintain the richness of data by considering the pre-defined research question only as a general framework to articulate data collection and not to comprehensively reduce the data to specific categories. In view of that, the initial research question was further developed into a set of more context specific questions, depending on the emerging categories and themes during the collection of data (see Table 3.5). The practice of developing the pre-defined research question, usually known as the initial question, is common in inductive research where initial questions lead the researcher to investigate in a certain direction, but when unforeseen discoveries emerge, further questions may arise (Holliday, 2007).

<p><b>Pre-defined Research Question</b></p> <p><i>How is innovative behaviour conducted in a personal-interactive service system?</i></p> <p><b>Context Developed Research Questions</b></p> <p><i>How does the previous literature underpin service employees’ innovative behaviour, with a particular focus on the synthesis perspective?</i></p> <p><i>In consideration of the degree of formality, what is the nature and impact of employees’ innovative behaviour and how does it contribute to service innovation?</i></p> <p><i>What is the impact of management procedures and motivation as contextual determining influencers of service employees’ innovative behaviour?</i></p>
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(Table 3. 5: Pre-defined and Context Developed Research Questions)

The link between the main research question and the theoretical background of the research is part of the logical flow of the research design process; the flow from generality to abstraction connects the five stages of planning research, starting from highlighting the



research area, research topic, then establishing the general research questions, specific research questions and finally to designing the data collection research questions (Punch, 2006). The design of the research questions followed a similar approach in progressing from the main and broadly defined research question to the following, more specific corresponding research questions that are in fact an interpretation of the initial research question, as presented in the following research questions that have been applied during the research:

Q: What are the main sources of ideas within the local hotel environment?

Q: How do you usually seek contemporary ideas about the hotel industry?

Q: Is idea generation part of your job duties? If so, what are the methods you apply to seek new ideas?

Q: How do you seek new ideas outside your job role?

Q: Do you perceive customers as a significant source of ideas? If so, in what way?

Q: Do you conceive idea flow as two ways directed, i.e. 'top-down' and 'bottom-up'? If so, how is each type conducted?

Q: How do you share ideas with your work colleagues?

Q: Can you describe a scenario of when you reported an idea to your managers? What course of action did the management take at the time?

Q: How is the idea generation process managed by the local hotel management?

Q: What is the difference in management culture between the types of Andromeda Hotels; i.e. the managed and owned hotels?

Q: Do you think that 'enough' empowerment to implement innovative ideas is delegated to the hotel management? If so, in what way?

Q: Are the ideas initiated through 'frontline' interaction usually reported to the hotel senior management without being distorted or wasted?

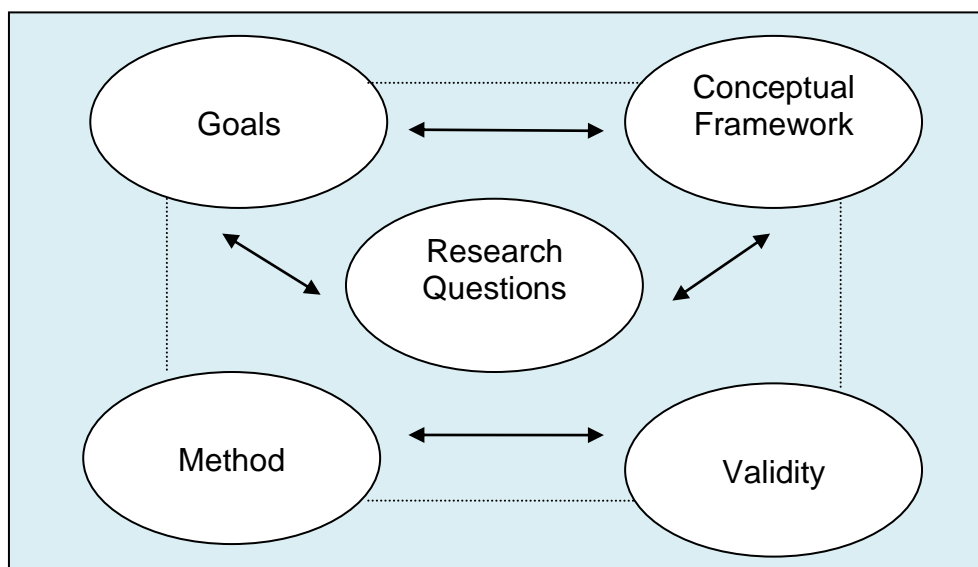
Q: Do you normally have the chance to communicate and deliver new ideas to your managers without intermediary intervention?

Q: Do you usually try to convince your managers with your innovative ideas? If so, can you describe a scenario of when this has happened?

The design of more specific questions for data collection resembled the concluding edge of the flow from generality to precision and depended on critical incidents, emerging

issues and relationships implicated in the service system in the hotel property researched. Another important consideration which emerged while conducting the research was that on some occasions the respondents appeared to be expecting the set of questions asked, most likely because they had been informed about the questions by colleagues who had already been interviewed. In consequence, two pre-emptive techniques were applied to avoid receiving artificial responses: one, by changing the chronological order of the questions asked, and secondly by rephrasing questions in different sentences but with similar meaning.

The approach of adapting data collection questions in accordance with the progression of research is mostly represented in Maxwell's (2013) interactive research framework. Maxwell (2013) introduced a useful framework that can help explain the interactive relationship between the main five components of the research process that can lead to not only adapting the research questions, but even to changes in research orientation or design (see Figure 3.2). Maxwell (2013) also advocated for the closer integrative relationship between the top triangle components, and another closer relationship between the two other bottom components.



(Figure 3. 2: Interactive Research Design Model; Maxwell, 2013, p. 5)

From another perspective, measures to ensure the reliability of the research questions were necessary for two key reasons: the lingual difference in the cases of Andromeda

Hotel Lisbon and Mizar Prague Hotel, and the wide inconsistency of respondents' attitudes and perceptions of service innovation encountered while conducting the research (see Section 5.2). The measures included introductory presentations in front of potential respondents<sup>1</sup> to highlight the research's theoretical background and objectives, and also the implications of taking part in the research, where the attendants were encouraged to ask questions. This technique proved to be useful not only in clarifying myths for respondents, but also when attendants talked about the research project to other colleagues who did not attend the presentations, which encouraged them to take part in the research. Another technique that was applied to ensure reliability was to provide respondents with the research information sheet (see Appendix 1), and also personally explaining the scope and key concepts of the research to respondents several minutes before their participation.

### 3.3.2. Unit of Analysis

In qualitative case study research the unit of analysis is largely considered as the basis of the research population and structures to be studied, and therefore the identification of the unit of analysis prior to commencing data collection is arguably justified. Another purpose served by early identification of the unit of analysis in qualitative case study research is providing initial guidance for analysing the unstructured form of qualitative data (Easterby-Smith *et al.*, 2012).

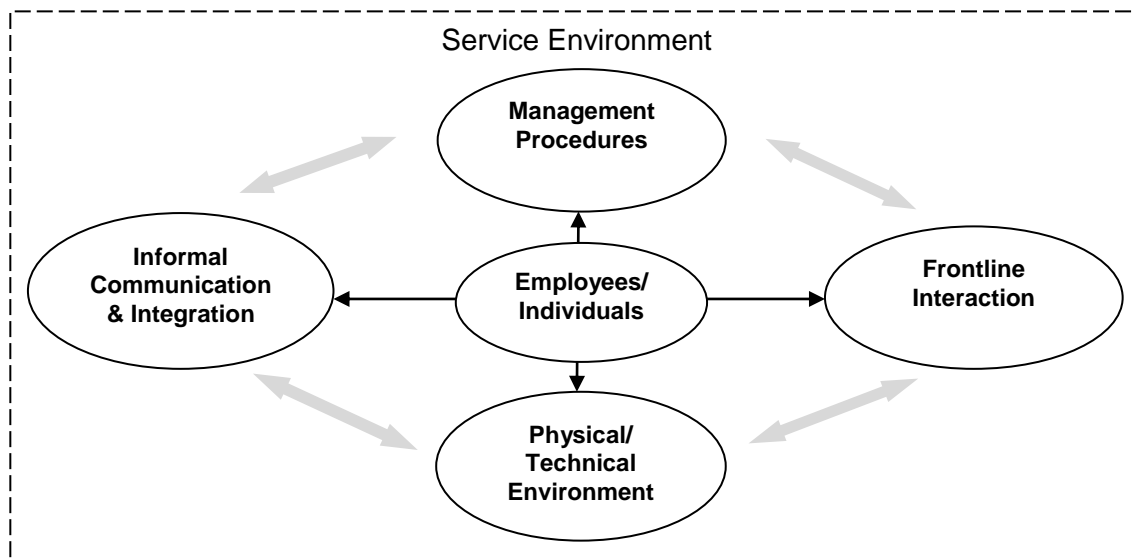
In the context of this research, it has been largely concluded that there is almost no difference between the unit of analysis and the actual case study, which is the service system in the hotel property researched. A service system is broadly defined as '*value-co-creation configurations of people, technology, value propositions connecting internal and external service systems, and shared information*' (Maglio and Spohrer, 2008, p. 18), of which is in fact represented in the hotel property researched being a platform of interaction of service involving the physical structure, management procedures and technology, employees and the hotel guests.

Generally in service innovation research, the service system is widely perceived as an appropriate framing for studying service innovation since it moves away from perspectives

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<sup>1</sup> In both cases of Andromeda Lisbon and Mizar Prague Hotel, the introductory presentations were attended by a combination of members of the executive committees, middle managers and junior employees.

traditionally rooted in industrial product inventions (Michel *et al.*, 2008), where the framework developed by Edvardsson and Olsson (1996) remains both influential and commonly applied. In this research, the service system framework provided in Edvardsson and Olsson (1996) was considered to be comprehensively representative of the components and actors in the hotel service, and therefore the design of the research unit of analysis was highly inspired by this framework (see Figure 3.3).



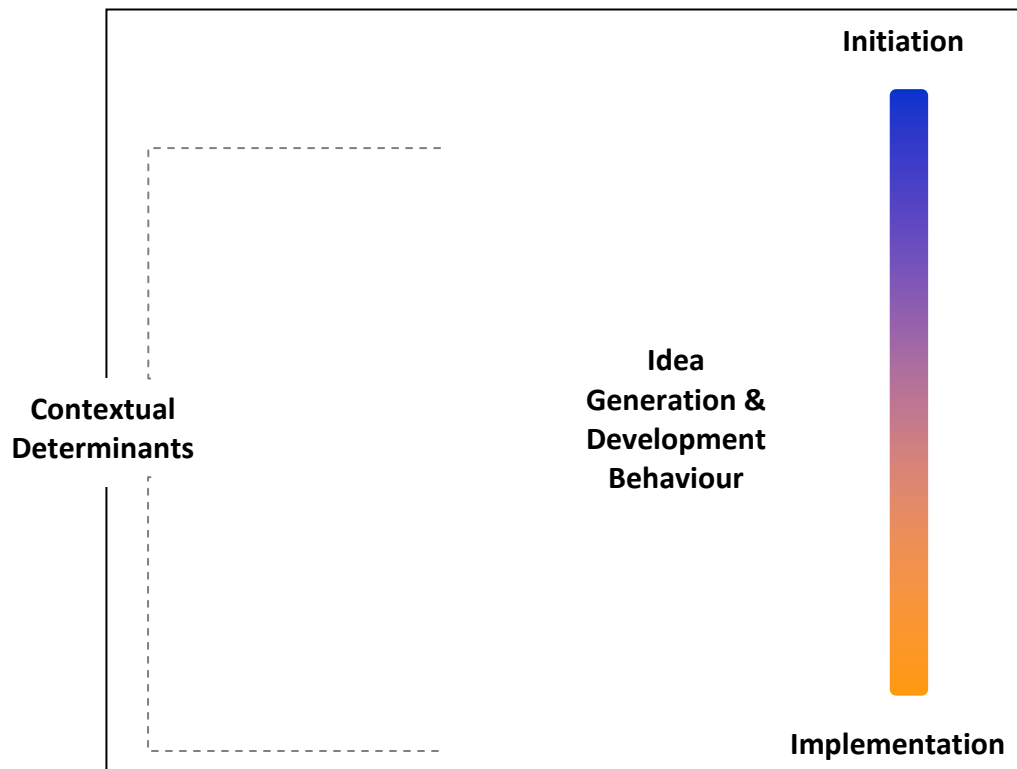
(Figure 3. 3: The Service System Framework; adapted from Edvardsson and Olsson, 1996, p. 15)

### 3.3.3. Conceptual Framework

Even though the application of conceptual frameworks varies across inductive research literature, the common purpose behind designing a conceptual framework is mainly to position the researcher in relationship to the research (Holliday, 2007). Holliday (2007) further identified two dimensions of this relationship that form the basis of a conceptual framework: the initial dimension positions the researcher's ideology in relevance to the current theoretical discussion, while the other dimension positions the researcher's ideology in relation to the research findings' agreement or disagreement with current theoretical discussion or defining new ideology.

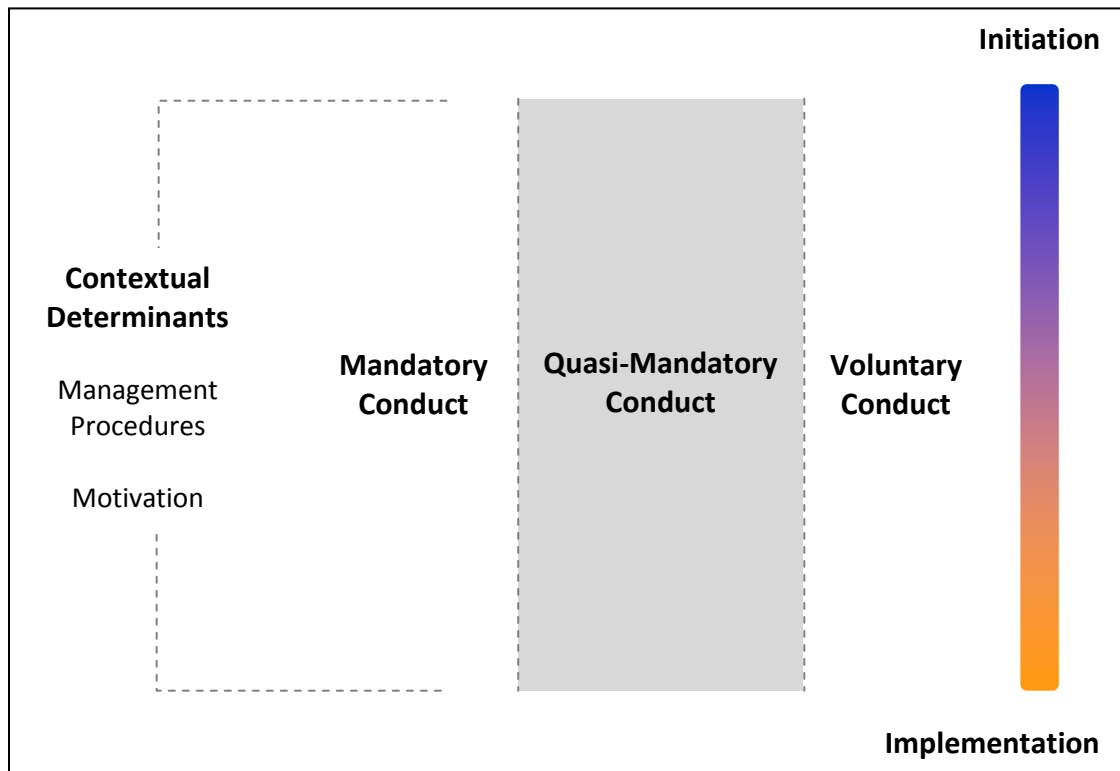
Defining the ideology of the researcher is advocated by Janesick (2000), as that qualitative researchers accept the fact that research is ideologically driven, and therefore there is no value-free or bias-free design in qualitative research. In agreement, a similar

approach was adopted in this research when initially identifying the framework of initiation–implementation (Zaltman *et al.*, 1973; Axtell *et al.*, 2000) as a generic scope for exploring *service employees' innovative behaviour patterns*, but at the same time avoided likely bias when diverging away from ideologically-driven design by not restricting the research to any specific behaviour patterns or contextual determinants before data collection (see Figure 3.4).



(Figure 3. 4: Initial Conceptual Framework of Researcher's Ideology)

From another dimension, the conceptual framework serves another purpose in comparing the research findings with the researcher's initial ideology (Holliday, 2007), and therefore outlining agreement or disagreement with the components of the earlier conceptual framework. As depicted in Figure 3.5, the research findings set boundaries to the scope of *service employees' innovative behaviour patterns* and *contextual determining factors* previously indicated in the initial conceptual framework by identifying three main categories of *innovative behaviour patterns* along with two categories of factors that determined *innovative behaviour* throughout the initiation–implementation continuum.



(Figure 3. 5: Conceptual Framework of Research Findings)

### 3.3.4. Selection of Case Studies

The cross-sector disparities implicated in studying innovation in the service industry necessitated the early selection of the appropriate service sub-sector in consideration of the aims and scope of this research. As previously discussed in Section 2.4, the *technology-push* tradition of innovation, frequently represented as the *Schumpeterian approach* (Schumpeter, 1934) of innovation, may still be perceived to be dominant in service innovation research, likely resulting from the technical advances practically realised in service innovation, but this approach is frequently criticised for not sufficiently considering the critical role of service employees in initiating innovation. The researcher, therefore, aimed to investigate services where employees' interaction and involvement are more influential by depending on the framework of Lakshmanan (1987), which categorised the service industry into three main divisions of *service-dispensing*, *task intensive* and *personal-interactive services* depending on the level of interaction between the service employees and the service environment. As a result, the hotel service sector representing

the *personal-interactive* division of the service industry was determined to be the most appropriate for investigation for its higher level of service employee interaction.

After the selection of the hotel sector for investigation, the researcher encountered challenges in identifying reliable indicators to identify a representative case study to be researched. Early attempts to recognise reliable indicators to identify innovative service providers emerged following the SIS4 project<sup>1</sup> (Sundbo and Gallouj, 1998). In this project it was established that it would be extremely difficult to establish innovation indicators in the services industry, and that some traditional innovation indicators such as research and development R&D expenditure, R&D staff or other measures related to R&D proved to be unreliable since very few service companies have formalised R&D departments, or other non-R&D indicators such as acquisition of patents, training, market research, number of educated people, etc. Although all the mentioned indicators may be relevant, they do not comprehensively reflect all innovation activities. Sundbo and Gallouj (1998) also concluded that at the time of the SI4S project, no sufficient indicators had yet been found and more work had to be done towards identifying reliable indicators.

By reviewing the literature, the researcher encountered continued paucity where little or no evidence of indicators was produced to identify viable case studies for research. The researcher resorted to seeking expert advice by approaching the renowned professor of service innovation at the University of Lille, Faïz Gallouj. Professor Gallouj confirmed the paucity of valid indicators related to the hospitality service sector and further advised creating purposeful indicators in light of the previous literature (see Appendix 2).

The existent indicators of service innovation in the hospitality sector, although having been specifically researched from the hospitality sector perspective, have been largely divided into *technological* and *non-technological* innovations in service companies based on frequency and type of innovations, and without distinguishing what is unique to the service company. In their study of the Dutch hospitality industry, for instance, Den Hartog *et al.* (2011) proposed that a distinction should be made to precisely address innovations in

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<sup>1</sup> The SI4S project is one under the TSER programme launched by the European Commission in 1995 with the aim of developing concepts, empirical evidence, and proposals for practical action concerning the role of services in European innovation systems. The project included studies of innovation activities in services themselves as well as the service companies' role in creation and diffusion of innovations in other sectors. The project started in March 1996 and ended in June 1998, with research teams from nine European countries participating in the project. These countries were Denmark, France, Germany, Greece, Italy, the Netherlands, Norway, Sweden and the UK (Sundbo and Gallouj, 1998).

service companies, and industry and service innovation in general when examining indicators of measurement, as the boundaries between industrial products and service innovation may collapse when measuring technological innovation indicators. Similarly, the study of Bloch and Bugge (2013) examined the Nordic pilot measurement framework of innovation (Bugge *et al.*, 2011) from a public service sector perspective, indicating cross-country factors related to government and public organisations without distinguishing indicators specifically for the service company.

In addition, at the time of writing up this thesis, in June 2014, the European Service Innovation Centre<sup>1</sup> revealed five main indicators of service innovation through the European Service Innovation Scoreboard ESIC (2014) (see Table 3.6). The Scoreboard set indicators for measuring the importance of service innovation at the macro regional economic and business activities level to help policy makers make informed decisions.

<b>Service Innovation Indicator</b>	<b>Scope</b>
Framework Conditions	Factors representing structural regional or sector changes that influence the innovation activities of a company and its subsequent market success, but are outside the reach or influence of any single company.
Inputs	Factors representing the deliberate development of service innovation in companies.
Throughput	Factors representing the new developments (innovations) themselves.
Outputs	Outputs factors representing the value created through innovation; this can be value to the company or the customer.
Outcomes	Outcomes factors representing the impact of structural change which impacts other sectors outside the industry through the transformative power of service innovation.

(Table 3. 6: Five Scorecard Indicators of Service Innovation; ESIC, 2014)

The absence of accurate indicators of innovation in hospitality service companies and the difficulty in applying any of the existent generic indicators of service innovation discussed earlier, due to the difficulty of retrieving measurement data at the micro company level, led the researcher to seek an alternative sampling strategy. Gaining insight from the review of related research and qualitative case literature proved to be useful in case study identification, i.e. Flyvbjerg (2006) largely distinguished between two main strategies for

<sup>1</sup> The European Service Innovation Centre (ESIC) is a two-year project commissioned by the European Commission's Directorate-General for Enterprise and Industry to capture and demonstrate the dynamics and large-scale impact of service innovation as well as to assess how service innovation impacts on competitiveness, industrial structures and regional development.



case study sampling as *random* or *information-oriented selection* (see Table 3.7). The *information-oriented selection* strategy generally aims to maximise the utility of information from sample cases where the selection criteria is based on the expectations about information content in each case study selected.

<i>Type of Selection</i>	<i>Purpose</i>
Information-Oriented Selection:	To maximize the utility of information from small samples and single cases. Cases are selected on the basis of expectations about their information content.
1. Extreme/deviant cases	To obtain information on unusual cases which can be especially problematic or especially good in a more closely defined sense.
2. Maximum variation cases	To obtain information about the significance of various circumstances for case process and outcome, i.e. three to four cases that are very different in one dimension: size, form of organisation, location, budget, etc.
3. Critical cases	To achieve information that permits logical deductions of the type; if this is not valid for this case, then it applies to all <i>no</i> cases.
4. Paradigmatic cases	To develop a metaphor or establish a school for the domain that the case concerns.

(Table 3. 7: Strategies for the Selection of Cases; adapted from Flyvbjerg, 2006, p. 230)

In recognition of the case sampling strategies highlighted in Table (3.7), the researcher devised the two strategies of *maximum variation* and *critical cases*. In addition, the researcher relied on *criterion-based* sampling (Patton 2001), that meets the predetermined criterion of importance, to identify the sector and geographic boundaries for case study selection. The following points summarise the strategies adopted by the researcher when selecting case studies for the purpose of this research:

- i. **Criterion-Based Sampling:** the selection of the hotel industry for the expected higher level of interaction of employees within the service delivery environment, as compared to other service industry subsectors. In addition to determining the geographic location of the case studies depending on the European Union Regional Innovation Scoreboard (2012) of *innovation enablers, companies' activities* and *outputs*; the European Union EU countries indicated substantial indicators on an innovation performance scoreboard in comparison to other global regions (see Section 4.2).

After the selection of the hotel industry and highlighting the geographic location of case studies within the EU, barriers to gaining access resembled a significant hurdle to the progression of this research; one major reason for this was that in September 2008 the global financial crisis instigated and continued to exert pressure on hotel managers to

meet financial targets and rationalise expenditure, including the return on employees' investment. The implication for hotel managers was that allowing access to the researcher would involve occupying employees' paid time, which may have negatively influenced other important performance indicators including guest satisfaction, service quality and adhering to the brand standards.

Other considerable barriers to gaining access that impeded the progression of conducting the research were that when approaching hotel companies' head offices, the researcher encountered reluctance to allow access to carry out the research expectedly due to the sensitivity of information that might leak out to the public, competitors, etc. and also on some occasions due to the lack of interest in the research topic by some head-office executives. Similarly, from the local hotel management perspective the difficulty in allowing permission to accommodate the research was mainly due to employees' overwhelming work commitment that would have made it difficult to manage the timing of the research to match with the employees' availability.

After sending many requests to hotel managers to allow permission to conduct the research and receiving many negative responses, the researcher resorted to an alternative strategy to gain access. This strategy aimed to *negotiate relationships* with the approached hotel managers (Bosk, 1979); these relationships are conceptualised as *gaining access* (e.g. Glesne, 1999; Bogdan and Biklen, 2003) or as *negotiating entry* (e.g. Marshall and Rossman, 1999). Building entry relationships progressed at two levels. One was to intellectually engage the approached head-office executives in the research topic and objectives. The researcher contacted the previous Director of Products and Services at Andromeda Hotels, who had a significant track record of experience in hotel management and entrepreneurship, and therefore expressed interest in the research when discussing the research scope and aims in a meeting with the researcher, and who subsequently helped to attain the approval of the research proposal by the Andromeda Hotels' Board of Directors. The researcher also contacted the Senior Vice President of Hotel Development at Andromeda Hotels, who arranged contact with the Chief Officer of Organisational Development and Human Resources to further discuss and arrange the conducting of the research. The second level comprised of incentivising the contacted head-office executives to approve the research proposal by agreeing to provide a completed copy of the research thesis that would include, in addition to the analytical data, a section on management practical recommendations.

- ii. **Maximum Variation Sampling:** the selection of case studies within different countries representing different contextual settings that may be of direct influence on *service employees' innovative behaviour*. The researcher accordingly agreed with the Chief Officer of Organisational Development and Human Resources of Andromeda Hotels to conduct the research in multiple hotel properties. In fact, the Chief Officer's previous academic experience in lecturing and research helped in appreciating the researcher's motives behind conducting multiple cases' research and elevated the barriers of entry and progression of research, despite the expected additional pressure and commitment to be imposed on the hotel properties investigated.
- iii. **Critical Cases Sampling:** the Chief Officer of Organisational Development and Human Resources further arranged a meeting in Andromeda Hotel London to discuss and agree on the research time frame and identify those hotel properties suitable for the purpose of this research. The meeting included the Chief Officer, both the Human Resources Director and the Talent Development Manager of Andromeda Hotel London and the researcher, where the hotel properties in Lisbon, Prague and London were preselected for investigation depending on *critical incidents* of innovation projects involving *service employees' innovative behaviour* and that had already been implemented in the identified hotel properties.

### 3.3.5. Respondents' Selection

The selection of respondents in each case study researched was organised by the Human Resources Departments by initially encouraging employees to take part in the research, and the review of employees' curricular profiles including information on work experience, lingual ability and participation in innovation projects in order to determine the appropriate participants. The researcher moreover set general criteria for the respondents' selection to avoid misrepresentation that was based on (1) previous participation in innovation projects; employees who had contributed to the success of these projects through their *innovative behaviour*. (2) In contrast, other employees who had not noticeably contributed in previous innovation projects were also selected for the interviews. (3) Inclusion of respondents from different job roles; a balanced selection of different levels of interviewees from within the hotel management hierarchy was therefore maintained to

enable comparison in exploring *innovative behaviour patterns* from multiple job role dimensions.

After the selection of respondents, the Human Resources Departments in each hotel property to be researched helped in liaising between the researcher and respondents to work out the appropriate timing for the interviews' schedule. The interviews were held during work hours, and the fact that the researcher was directly present at the hotel properties during the time of the research helped by adding a high level of flexibility to arranging interviews upon respondents' convenience. Appendix 3 lists the interviewees in each case study researched as per the respondents' job level, and include the interview type and duration.

### **3.3.6. Data Collection Methods**

When conducting qualitative research, researchers should make a decision on how soon in advance they should design their methods, rather than developing them while conducting the research (Maxwell, 2005). Fundamentally, some qualitative researchers support the view that because qualitative research is necessarily inductive, any pre-construction of the methods would lead to restricting the flexibility needed to respond to emergent insights. This unstructured approach allows focusing on a particular phenomenon through applying individually tailored methods that may enable better contextual understanding of local causality, such as the circumstances that lead to a certain outcome (Miles and Huberman, 1994). In contrast, applying structured approaches is also believed to be useful in answering variance questions as it could enable the comparability of data across individuals, times, settings and researchers (Maxwell, 2005). Another advantage of pre-structured methods would be in reducing the amount of data generated by applying qualitative methods (Miles and Huberman, 1994).

In this research, a balance between structured and unstructured approaches was maintained. Only a tentative road map was planned to enable comparison between the three cases selected, and to compare between the emerging categories. At the same time changes in methods were implemented when needed, while a certain degree of adaptability was required to overcome barriers of entry and the extremely busy nature of the hotel work environment.

In consistency with the above argument, the research's methodological stance and the set of research questions revised earlier, in-depth interviews were mainly conducted along with other qualitative research methods where possible in a process commonly known as *crafting instruments* to help overcome some access barriers encountered. To meet the research objectives, therefore, the researcher opted for the use of semi-structured one-to-one in-depth interviews; this research method proved to be most functional for the purpose of this research in allowing extensive discussions to derive respondents' experiences and inner perceptions of events whilst offering more flexibility in allowing the researcher to adapt interview questions to explore new aspects as raised by the respondents (Saunders *et al.*, 2007). In accordance, since the research investigated three case studies and involved respondents of different job roles and variant experiences and intellect, it was necessary to adapt the interview questions to accommodate these differences. Open-ended questions were applied, which allowed a greater degree of flexibility to omit or add other questions that might emerge within the context of an interview conversation.

Another type of in-depth interviewing method was applied in the form of focus groups, where through such in-group interviewing the researcher adopts a moderator role and may direct the interview in a structured or unstructured way (Fontana and Frey, 2005). The researcher, while conducting the focus group interviews, mainly adopted a semi-structured approach and moderated the respondents' conversation in directing each respondent to answer the interview questions. This particular method helped manage the time constraints of the research and also to extract different views of events, where the interviewed participants work in the same department but occupy different job roles.

In general, the application of in-depth interviewing along with other qualitative methods allowed closer assessment of *innovative behaviour* and helped overcome potential barriers. However, some disadvantages may still be associated with these research methods. Table 3.8 reviews the main data collection methods applied throughout the research and outlines both the advantages and disadvantages of these methods.

Source of Evidence	Strengths	Weaknesses
<b>Documentation</b>	<ul style="list-style-type: none"> <li>Stable- can be reviewed repeatedly</li> <li>Unobtrusive- not created as a result of the case study</li> <li>Exact- contains exact names, references and details of an event</li> <li>Broad coverage- long span of time, many events and many settings</li> </ul>	<ul style="list-style-type: none"> <li>Low retrievability</li> <li>Biased selectivity if collection is incomplete</li> <li>Reporting bias of author</li> <li>Access may be deliberately blocked</li> </ul>
<b>Archival Records</b>	<ul style="list-style-type: none"> <li>Stable</li> <li>Unobtrusive</li> <li>Exact</li> <li>Broad Coverage</li> <li>Precise and Quantitative</li> </ul>	<ul style="list-style-type: none"> <li>Low retrievability</li> <li>Biased selectivity if collection is incomplete</li> <li>Reporting bias of author</li> <li>Access may be deliberately blocked</li> <li>Difficult accessibility due to privacy reasons</li> </ul>
<b>Interviews</b>	<ul style="list-style-type: none"> <li>Targeted- focuses directly on case study topic</li> <li>Insightful- provides perceived causal inferences</li> </ul>	<ul style="list-style-type: none"> <li>Bias due to poorly constructed questions</li> <li>Response bias</li> <li>Inaccuracy due to poor recall</li> <li>Reflexivity- i.e. interviewee gives what interviewer wants to hear</li> </ul>
<b>Direct Observation</b>	<ul style="list-style-type: none"> <li>Reality- covers events in real time</li> <li>Contextual- covers context of events</li> </ul>	<ul style="list-style-type: none"> <li>Time consuming</li> <li>Selectivity</li> <li>Reflexivity- i.e. event may proceed differently because it is being observed</li> <li>High cost</li> </ul>

(Table 3. 8: Sources of Evidence; adapted from Yin, 2009, p. 102)

### 3.3.7. Implementation of Fieldwork

Alongside the difficulties associated with gaining access discussed in Section 3.3.4. and the limitations of the data collection methods applied, such as the longitudinal participation of respondents in the interviewing process, other difficulties encountered included maintaining the interviews' schedule that had been set in advance by the Human Resources Departments in each hotel property being researched. The timing of conducting the research between the months of July and September, when the hotel properties were likely to reach full occupancy rate, added a further challenge to the ability of those respondents who work in frontline service areas to abide by the interviews' schedule, as well as that the interviews were conducted during paid working hours added further pressure on the hotel properties' management to prioritise return on employees' investment and at the same time facilitate the research project. This required greater flexibility in conducting interviews where the respondents were allowed to interrupt the interview in order to deal with urgent matters or withdraw completely due to excessive work load; one respondent withdrew from interviewing after five minutes in the case of

Mizar Prague Hotel, and three respondents withdrew even before their interviews had started in the case of Andromeda Hotel London.

The interviews were held in private meeting rooms purposefully assigned by the Human Resources Departments in each hotel property. Preparations for the interviews additionally included providing refreshments and stationery in the two cases of Andromeda Lisbon and Mizar Prague Hotels. In turn, the researcher also prepared supplementary stationery to record the interviewees' responses in field notes, along with spare batteries for the two audio recording machines used to record the interviews.

The direct presence in the hotel properties researched enabled closer observation of the employees in their real-time service delivery without interfering or interrupting guests' convenience. The Human Resources Departments of the hotel properties researched allowed access for the researcher to enter staff communal areas and canteens to closely observe employees' interactions and engage with them in informal conversations. The researcher was also permitted to photograph the information on noticeboards mounted on the departments and public areas walls.

### **3.3.8. Strategy of Data Analysis**

The methods applied to collect the data, the number of interviews conducted and the nature of the researched area that involved longitudinal explanations of behavioural patterns and contextual details implicated generating an overwhelming amount of qualitative data. This added further disadvantage to the previously discussed shortcomings of the research methods applied and posed a significant challenge to the researcher's ability to interpret a complex and unorganised volume of data into a meaningful and sensible outcome. To overcome the shortcomings associated with the high volume of data, and therefore the expected high cost and tedious effort to transcribe, the researcher relied on audio coding to determine the data analysis categories and then transcribing the relevant parts of the interview recordings rather than transcribing all audio tracks in their entirety.

In qualitative research literature, there are broad theoretical guidelines for managing qualitative data analysis which seem to serve a similar purpose in reducing complexity and helping overcome the very likely chaotic feature of qualitative data; these guidelines could be followed partially or entirely. For instance, Lacey and Luff (2001) proposed eight stages

of qualitative data analysis, while similarly Easterby-Smith *et al.* (2012) introduced a practical approach of seven stages for analysing volumes of qualitative data. In this research, the framework of data analysis stages was inspired by the approach of Easterby-Smith *et al.* (2012), only that the additional stage of *writing up* was added to the original seven stages (see Table 3.9).

<b>Stage</b>	<b>Description</b>
Familiarisation	Reading field notes and repeatedly listening to interviewees' accounts in the recorded audio tracks to link relevant data to predetermined categories.
Reflection	Evaluation and critical thinking of the potential contribution of data in view of the research question and the previous literature.
Conceptualisation	At this stage, the initial conceptual framework was produced where each case study data were manually organised accordingly with the initial categories of analysis (see Appendix 4).
Cataloguing Concepts	The recorded audio tracks were uploaded to the qualitative data analysis software NVivo and coded into nodes upon the initial analysis categories.
Re-coding	Further review of data and comparing of initial categories across the three cases researched and accordingly adapting existing categories and constructing new categories.
Linking	Highlighting relationships between categories and accordingly developing the analytical framework. Three main groups of categories were identified of attitudes towards innovation, innovative behaviour patterns and determining factors, along with three other sub-groups under innovative behaviour patterns (see Appendix 5).
Re-evaluation	Researcher's review of the interpretation of the research data and contribution to knowledge and involving the research supervisory team in the review and evaluation of the data analysis to produce the concluding conceptual framework.
Writing Up	Practically, this stage started earlier as soon as transcribing the relevant audio tracks of interviews began. The presentation of findings under each category consisted of multiple explanatory and descriptive techniques including tabular presentations and respondents' quotes.

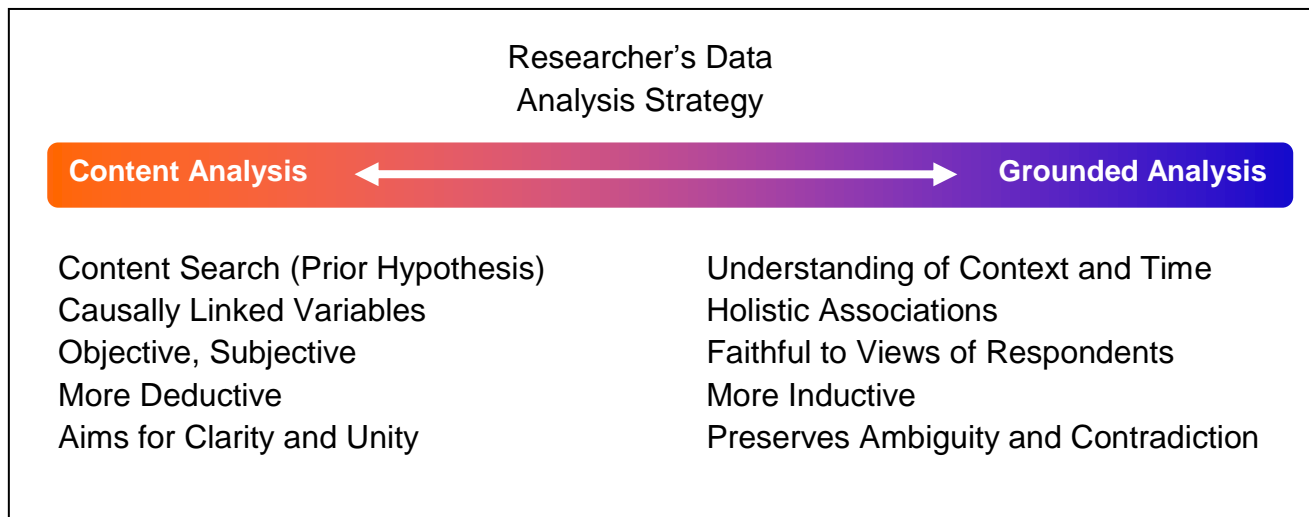
(Table 3. 9: Data Analysis Stages; inspired by Easterby-Smith *et al.*, 2012)

Determining a holistic strategy to analyse the research data should precede the stages included in Table 3.9 and accordingly guide the progression of data analysis stages; the design of the data analysis strategy is in fact interconnected with the philosophical stance of the researcher and the choice of methods applied to collect the research data.



In qualitative research literature, it is widely accepted that there are neither *quick fix* techniques of data analysis (Lacey and Luff, 2001) nor a universally standardised approach to analysing qualitative data (Bryman, 2001), except that qualitative researchers should pursue a subjective and interpretive role (Pope and Mays, 1996) that is likely to reflect the individual thinking to the approach the researcher selects to progress the analysis of the data. Yet, there are widely used strategies for analysing qualitative data that remain influential on qualitative researchers. For example, Miles and Huberman (1994) provided an extensive framework for analysing qualitative data, while Maxwell (1996) concluded three main analysis options for qualitative research: (1) *memos* collected as field notes or recorded when reviewing the gathered data; (2) *categorising strategies*, e.g. grounded theory (Glaser and Strauss, 1967) and other coding and thematic analysis; and (3) *contextualising strategies*, e.g. narrative analysis and ethnographic microanalysis. In relation to case study research, Yin (1994) also proposed two broad strategies for qualitative data analysis: (1) *theoretical propositions* which are based on the original propositions that led to the case study, i.e. the literature review or research questions; and (2) *case descriptive Framework* that delineates the case events and causal links through a predetermined descriptive framework.

In line with the epistemological approach adopted in this research, the selection of the appropriate data analysis strategy was moderately combined between the two strategies of *content analysis* and *grounded analysis* in an approach frequently referred to as *template analysis strategy* (King, 1998). In *content analysis* the researcher interprets and reviews qualitative data for categories that have been pre-defined in advance while in *grounded analysis*, which is derived from Glasser and Strauss's grounded theory, researchers tend to intuitively develop the categories and meaning of data after data collection. Easterby-Smith *et al.* (2012) advocated that although these two strategies appear as competing alternatives, the choice of many researchers practically falls along the continuum in between these two strategies (see Figure 3.6). In correspondence and as outlined in the figure below, in this research the analysis of data was largely inspired by the *template analysis strategy* that is widely perceived to interface between *content analysis* and *grounded analysis strategies*.



(Figure 3. 6: Adopted Qualitative Data Analysis Strategy; adapted from Easterby-Smith *et al.*, 2012, p.163)

Initial categories of analysis were already developed in the literature and in the field notes upon issues emerging during data collection; the researcher applied these categories as *templates* to extract meaning when sifting through the research data in a practice similar to *content analysis strategy*. After the further review and coding of data the initial categories were adapted and further analysis categories were constructed depending on the researcher's intuition and interpretation of the data; this approach was inspired by the strategy of *grounded analysis* of data.

### 3.4. Validity of Findings

Unlike the positivist epistemology that precondition the *appropriateness* of research methods to guarantee validity, the abstract logic of qualitative inquiry presupposes validity as being relative, and to be assessed in relationship to the purposes and circumstances of a research project (Maxwell, 1992). Essentially, eliminating threats to the validity of the research finding would be prioritised by qualitative researchers as providing evidence from the real world rather than relying on research methods, i.e. some qualitative researchers may rely on independent observers to prove if their accounts were valid.

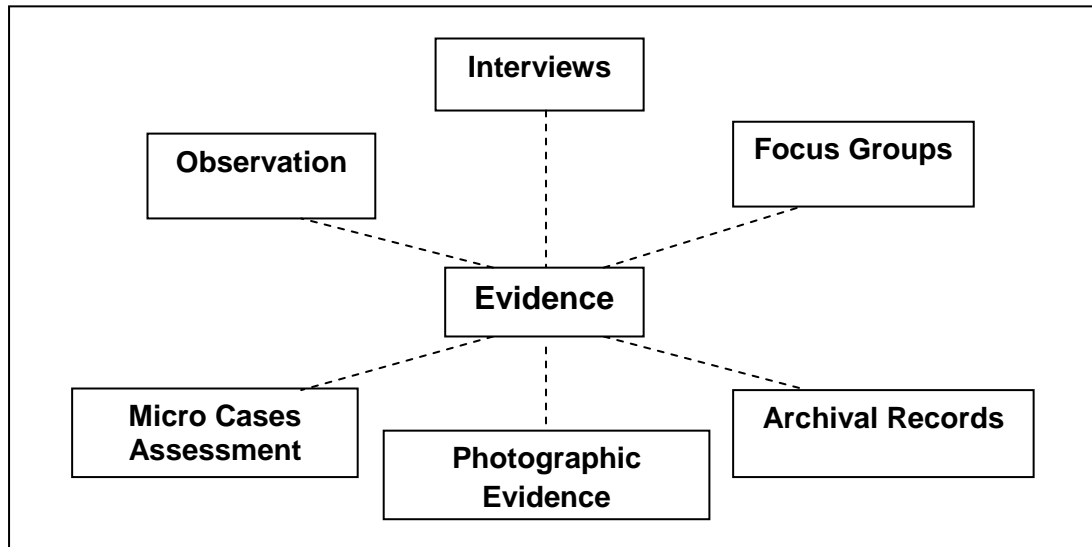
As previously underlined in Section 3.3.3., qualitative researchers cannot detach themselves completely from their preconceptions, values or attitudes towards the investigated phenomena, and therefore *inherent reflexivity* (Hammersley and Atkinson, 1983) is widely believed to become the most recognisable threat to validity in qualitative

research. In connection and in the context of this research, *reflexivity* may be unavoidably reflected in the researcher's theoretical preconceptions, values and constructionist approach to data analysis. However, if the elimination of the researcher's *inherent reflexivity* was neither feasible nor realistic, the obligation of the qualitative researcher would be to explain the possible bias that he/she may fall into, and to apply the appropriate measures to reduce this bias. In this research, the measures undertaken to reduce the possibility of bias generating from *inherent reflexivity* were inspired by the validity assessment strategies proposed by both Maxwell (1996) and Yin (2009) (see Table 3.10).

Members' Check	In all case studies a random selection of interviewees were solicited about the research findings by reviewing the same interviewees' data transcripts and progression of innovation micro cases.
Feedback	A group of Doctoral researchers at Liverpool Business School were asked to review the interview transcripts and compare them with the research findings.
Triangulation	Triangulation of evidence was carried out while conducting the fieldwork without relying on applying multiple research methods as a guarantee of validity. Validity depended on the identification of evidence from diverse sources, i.e. asking other interviewees about the same event described by a previous interviewee and direct observation of interviewees while exercising work duties.
Pattern Matching	Matching cross-case patterns of <i>employees' innovative behaviour</i> and influencing factors to replicate evidence and highlight emerging differences.
Rich Data	Verbatim transcription of interviews and detailed recording of observation notes rather than recording data that were directly related to the research theory. Comprehensive recording of data proved useful when comparing the research findings against the context of other emerging data.

(Table 3. 10: Validity Assessment Measures; adapted from Maxwell 1996, pp. 93-95)

In connection, the purpose of triangulating evidence in this research was to examine *service employees' innovative behaviour* from multiple dimensions and replicate the findings emerging from the interview conversations; interviewees may sometimes be manipulated by the interviewing process and provide simulated responses to convey superiority and professionalism, and therefore it was essential to apply additional methods to research the emerging *innovative behaviour patterns* from multiple dimensions (see Figure 3.7).



(Figure 3. 7: Applied Triangulation Methods; adapted from Yin 1994, p. 93)

### 3.5. Ethical and Confidentiality Considerations

Maintaining the confidentiality of data involving research respondents and the hotel company researched was not only implied by the Liverpool John Moores University research ethics framework, signed by the researcher and approved by the Research Ethics Committee at the University, but also forms the cornerstone of ethical requirement in any research. Concerns raised by Andromeda Hotels were mainly in regard to potentially leaking any strategic information to competitors, while the research respondents were mostly concerned about the confidentiality of any negative comments or work complaints. Informing research respondents about the context and objectives of the research, the applied research methods and the measures undertaken to safeguard confidentiality also helps to nurture confidence and trust between the researcher and the respondents which will support the retrieval of data; the following measures were accordingly undertaken:

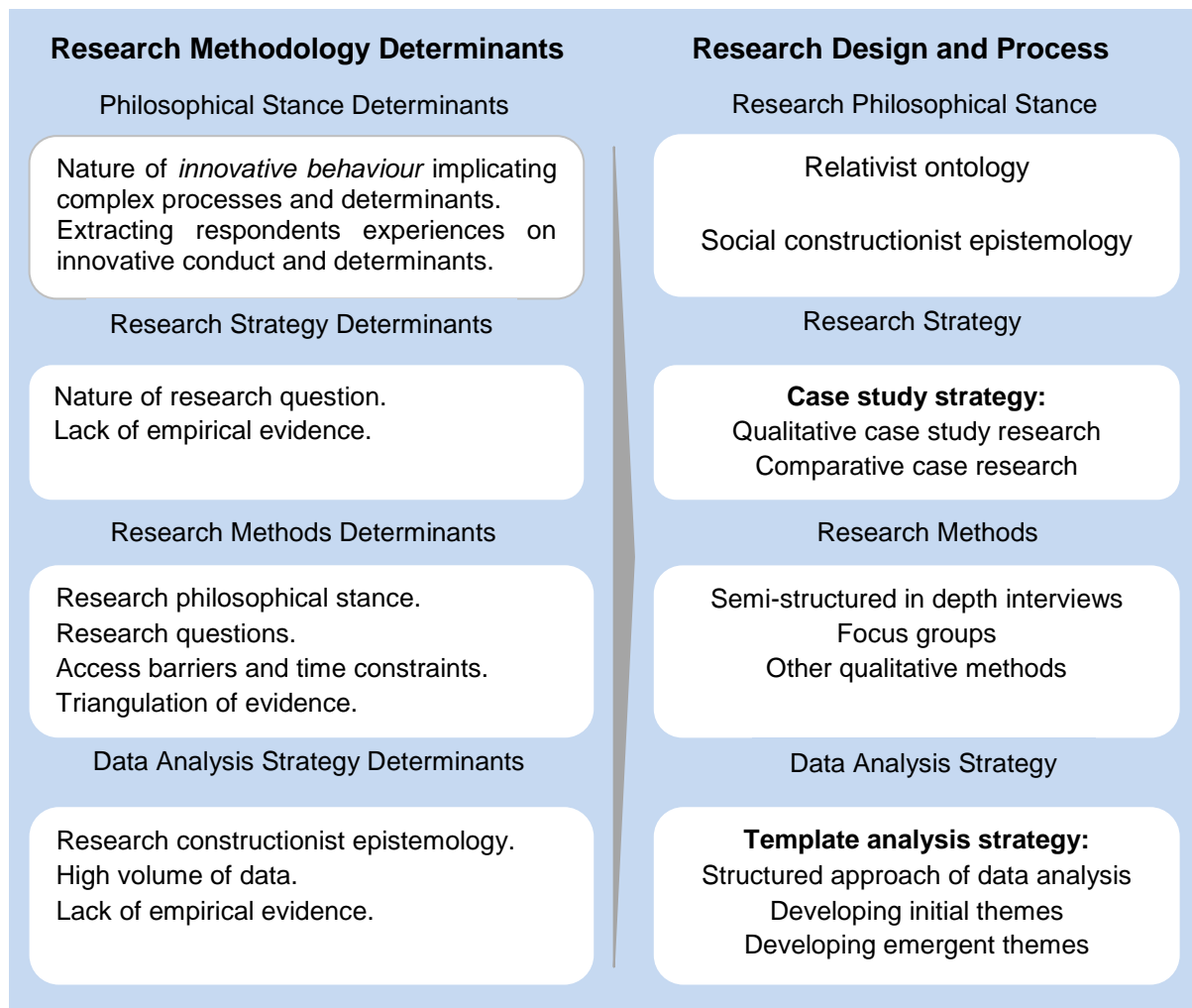
- Briefly explaining the research context, aims and methodology to corporate executives when requesting their permission to approve the research proposal. The research context was initially explained to corporate executives by telephone and then sent by email for further clarity (see Appendix 6).

- Abiding by the researched corporation's own confidentiality regulations and accordingly signing a confidentiality agreement when requested by the corporate management (see Appendix 7).
- Prior to conducting the interviews, the respondents were provided with the research information sheet outlining the context, aims and implications of participating (see Appendix 8), and in addition, the respondents were asked to sign a consent form confirming their willingness to participate in the research (see Appendix 9).
- During the interviews, the respondents were reminded of their rights to request the stopping of the audio recording, or even to withdraw from the interviews whenever they perceived this to be appropriate.
- Respondents were informed before they were to be observed while conducting work duties, and accordingly the respondents were reassured on the confidentiality of the observation outcome.
- Interviews were held in secure meeting rooms organised by the Human Resources Departments in each hotel property to guarantee further privacy and reassurance to respondents on the confidentiality of the data.
- The corporate brand was anonymised, along with the names of the hotel properties researched, by giving fictional names to refer to the brand and hotel properties.
- The details of the corporate logo or employees' images appearing in any material disclosed were obscured by Adobe Photoshop software.
- Respondents' names were hidden by only referring to job roles, and where responses included details on other colleagues or conveyed negative comments, the respondents' job roles were also hidden by only referring to the respondents' level in the management hierarchy as Level 1, 2 or 3.
- The audio recording of the interviews was handled and transcribed by the researcher without disclosure to any other parties. All other materials collected and photographic images were similarly handled with the utmost confidentiality.

### 3.6. Concluding Remarks

In congruence with the research's relativist philosophical stance, the research design adopted a constructionist approach in investigating the three case studies of the hotel properties of Andromeda Lisbon, Mizar Prague and Andromeda London hotels. The choice of ontological and epistemological approaches, the nature of inquiry and the

research question further determined the data collection methods and data analysis strategy (see Figure 3.8).



(Figure 3. 8: Research Methodology Development)

The investigation of multiple case studies and applying multiple qualitative data collection methods enabled collecting sufficient evidence and revealing *service employees' innovative behaviour patterns*. Other means of triangulating evidence included the investigation of nine micro cases of innovation projects embedded within the three cases studied.

In general, the applied research methodology proved to be most justifiable and assisted in achieving the research objectives, while also entailing some practical disadvantages such as the barriers to gaining access to the case study research population as well as the longitudinal and tedious effort required to collect the research data impeding the research progression at some stages; nevertheless, these barriers were successfully contained.

## 4. Chapter Four: Contexts of Case Studies

### 4.1. Introduction

The aim in this chapter is to look into the context of the hotel properties where the research took place rather than the wider corporate management perspective. The European Union regional service innovation indications and country specific Political, Economic, Social, Technological, Legal and Environmental PESTLE factors are reviewed in this chapter.

The background of Andromeda Hotels, however, is highlighted along with the nature of the multiple methods applied by the corporate management to manipulate management performance at the local hotel property level. The remainder of this chapter reviews the contexts of the three researched case studies—Andromeda Lisbon, Mizar Prague and Andromeda London Hotels—including information on historical development, management structure and hotel facilities.

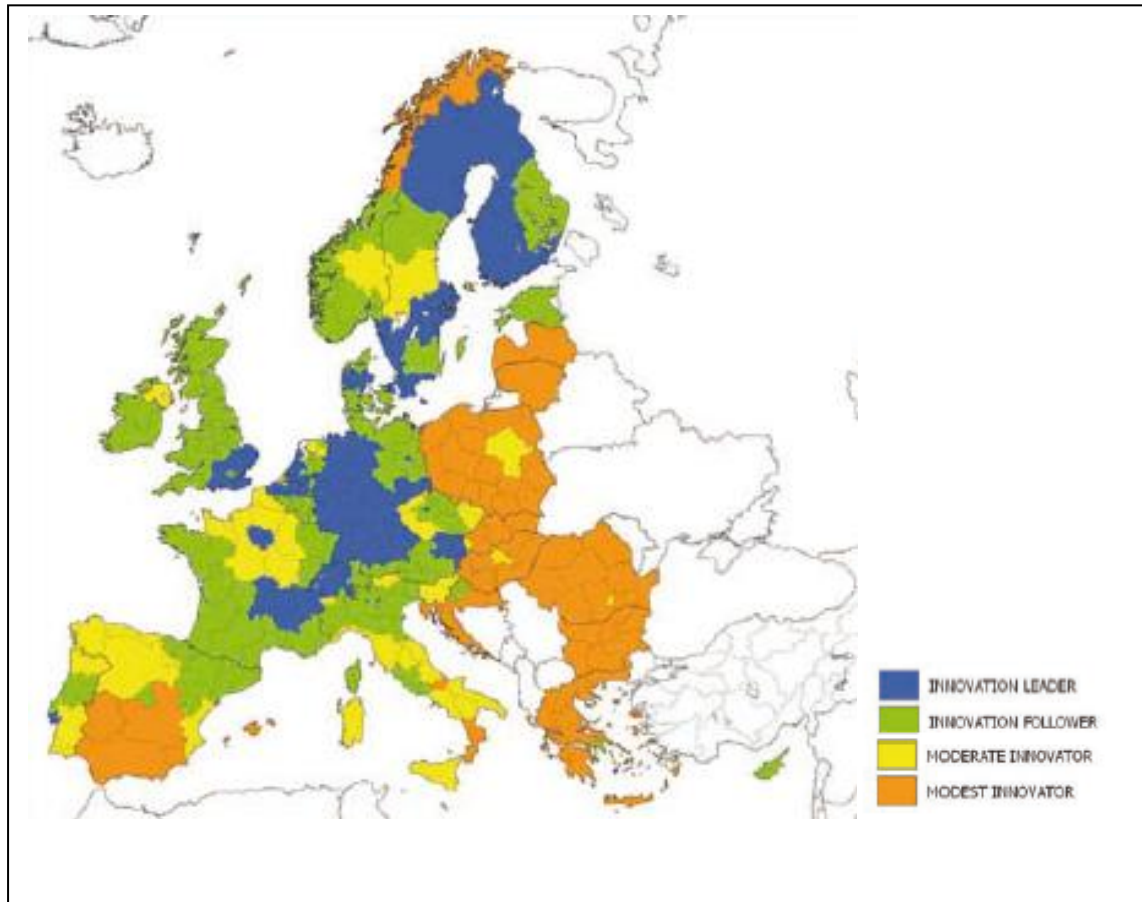
### 4.2. Contextual Background

#### 4.2.1. Regional Innovation Profile

The identification of country-specific indicators of innovation related to service innovation in the hospitality sector may prove difficult. The main reason for this is the unavailability of data regarding the potentially numerous, and possibly indirect, indicators for innovation in the hospitality sector. However, previous research identified EU country and regional-specific indicators for innovation in the service sector at large. The Regional Innovation Scoreboard Report (2012) classified EU countries as *leaders*, *followers*, *moderate* and *modest* innovators.

Although the EU Regional Innovation Scoreboard (2012) classified the countries of the three researched case studies as Portugal (*moderate innovator*), the Czech Republic (*moderate innovator*) and the United Kingdom (*innovation follower*), the regional indicators of service innovation performance reflected higher ranking (see Figure 4.1). Lisbon was classified as a service innovation *leader* in comparison to other Portuguese regions, while Prague similarly emerged as an innovation *leader* among other regions in the Czech

Republic. London and South East England were also classified as innovation *leaders* among other UK regions.



(Figure 4. 1: EU Service Innovation Regional Performance Map; source: RIS, 2012)

## 4.2.2. PESTLE Environment

### 4.2.2.1. Portuguese Republic

#### *Political Landscape*

- Short-term political stability was projected after the formation of the Social Democratic Party and Democratic and Social Centre (People's Party) coalition government in June 2011. The coalition government is expected to serve its full term after exhibiting a proactive stance since winning the elections in June 2011, but is now facing increasing public opposition over austerity measures undertaken in its 2014 budget.



- The bilateral relation with China has improved significantly since 2011 leading to the increase of Portuguese exports to China to reach \$1.9 billion in 2012. Since 2011, Chinese investment in Portugal has reached an unprecedented level after the acquisition of significant stakes in Portuguese privatised utility and oil companies.

#### *Economic Landscape*

- The economy was badly affected by the 2008 global financial crisis. The economy registered a modest recovery to grow by 1.93% in 2010; however, it contracted again in 2011 and 2012 by 1.42% and 3.21%, respectively.
- According to the International Monetary Fund, the current account deficit plummeted to 2.87% of Gross Domestic Product GDP in 2012, a major improvement compared to 2010 and 2011, when it was at 9.97% and 6.44%, respectively. In absolute terms, the deficit was down from \$31.98 billion in 2008 to \$6.04 billion in 2012.
- The unemployment rate has been on the rise since the country's economic downturn in 2008, increasing from 12.77% in 2011 to 15.69% in 2012, and being projected to increase further to 17.59% by 2013. The labour-intensive sectors, such as retail, hospitality and construction, are believed to be most affected by unemployment, representing over a third of total job losses.

#### *Social Landscape*

- In 2012, 18.20% of the Portuguese population was above 65 years of age. Around 65.70% of the population belongs to the 15–64 age group, and 16.10% are in the 0–14 age group. This age structure is similar to the demographic trend in the rest of Europe, where populations are aging and fewer people are entering the workforce.
- In accordance with the structural measures required under the bailout programme, the government has taken steps to reduce segmentation of the labour market, fostering job creation and enhancing worker mobility.

#### *Technological Landscape*

- The number of patents granted by the US Patent and Trademark Office to Portugal increased from 30 in 2011 to 40 in 2012; however, in comparison, Spain was granted 642

patents, Greece 82 patents, and Italy 2,120 patents in 2012. This indicates that the country has not consistently encouraged innovation and that R&D is not well developed.

- R&D subsidies in Portugal are amongst the highest in the Organisation for Economic Cooperation and Development OECD countries—much above the EU average and the US. Giving impetus to R&D is the key for Portugal to raise its productivity and living standards, and the government rightly provides high subsidies to R&D activity.

#### *Legal Landscape*

- According to Paying Taxes (2013), businesses in Portugal suffer from one of the highest tax compliance costs in the EU and European Free Trade Association EFTA area. It takes 275 hours to comply with taxes in Portugal, compared to the EU and EFTA average of 184 hours.
- In 2013, the government announced comprehensive corporate income tax reforms to boost investment and growth. The reform measures include the gradual lowering of the rate to around 18% by 2018, rationalisation of incentive schemes and broadening of the tax base.

#### *Environmental Landscape*

- Under Portuguese law, environmental permits are generally required for polluting or potentially environmentally damaging activities in sensitive areas, especially those involving water, air, and noise pollution.
- Portugal was ranked 41<sup>st</sup> out of 132 countries in the Environmental Performance Index 2012; neighbouring Spain fared better, being placed 32<sup>nd</sup>.

(Country Analysis Report; Portugal, Marketline, 2013)

### **4.2.2.2. Czech Republic**

#### *Political Landscape*

- The Czech Republic has transitioned successfully to democracy since the fall of the communist regime in 1989 and the peaceful division of the former Czechoslovakia in 1992. The new liberal Czech Republic has been credited for fostering democratic values

and liberal media. The political scene, however, is still characterised by high levels of corruption.

- In the legislative elections held in October 2013, the Czech Social Democratic Party (CSSD: Česká Strana Sociálně Demokratická) emerged as the largest party, followed by the newly formed Action for Dissatisfied Citizens (ANO: Akce Nespokojených Občanů). The two parties in collaboration with the Christian Democrats (Křesťanská a Demokratická Unie – Československá Strana Lidová) formed a new coalition government headed by CSSD leader Bohuslav Sobotka in January 2014.
- The traditionally dominant parties, the CSSD and the Civic Democratic Party (ODS: Občanská Demokratická Strana), recorded their lowest votes ever since the Czech Republic's independence. Although the left-wing CSSD won the highest number of votes, it was not enough to govern alone. It only captured 20.45% of the public vote, and 50 out of 200 seats in the lower house of the parliament. The ODS won just 7.72% of the popular vote and 16 seats in the lower house of the parliament.

#### *Economic Landscape*

- The Czech economy enjoys well-developed infrastructure. The country is rated to have a developed infrastructure of transportation among other EU countries, with a railway network rail of 15,636km and one of the highest air passenger transport figures in Europe.
- The automotive industry is one of the pillars of the Czech economy with the country being a key manufacturing centre for companies such as Skoda, Hyundai, Citroen, Peugeot and Toyota.
- In 2012, the country's current account deficit was 2.5% of GDP, down 0.2 percentage points from the 2.7% of GDP recorded in 2011. Although the Czech Republic maintains a surplus on its trade of both goods and services, repatriation of profits by foreign corporations more than offsets this, resulting in a current account deficit.
- The Czech economy's lack of diversification of its exports away from EU economies, which account for 80.9% of its export volume, is an area of weakness. The economy was affected after the decline in demand for Czech imports by 27 EU countries in 2012.

*Social Landscape*

- The total expenditure on education increased from \$10.8 billion in 2011 to \$11.4 billion in 2012. As a percentage of GDP, education expenditure increased from 5.0% in 2011 to 5.7% in 2012.
- Like most Western European countries, the Czech Republic may witness demographic challenges owing to a declining birth rate and an aging society. According to the European Commission, by 2060 the total age dependency ratio (people aged 14 and below and aged 65 and above over the population aged 15–64) is set to increase by 33.4 percentage points from 2010, well above the EU average of 26.6 percentage points.

*Technological Landscape*

- The Czech Republic is receiving increased investment in R&D. The gross expenditure on R&D more than doubled during the period 2003–2011, increasing from CZK32.2 billion (\$1.6 billion) in 2003 to CZK72.4 billion (\$3.6 billion) in 2012.
- The National Research Development and Innovation Policy of the Czech Republic 2009–2015 is the main strategic document, which reflects the strategic and conceptual framework at both the national and European levels.
- According to the Innovation Scoreboard 2013, the Czech Republic was a moderate innovator and recorded below-average performance with relative weaknesses in open, excellent, and attractive research systems, finance and support, and intellectual assets.

*Legal Landscape*

- In the 2013 Index of Economic Freedom published by the Heritage Foundation and the Wall Street Journal, the Czech Republic was globally regarded 29<sup>th</sup> among the most free economies and was ranked 15<sup>th</sup> of the 43 European countries. Economic freedom indicators included financial freedom, trade freedom, monetary freedom, property rights and labour freedom.
- The new Civil Code and associated laws that came into effect in January 2014 are expected to bring major changes to the conduct of business in the Czech Republic.

*Environmental Landscape*

- The country has committed to increasing the share of renewable sources in primary energy consumption to 20% by 2030 while reducing the production, distribution, and final consumption of total energy to 60–70% of current consumption by 2030.
- According to the Environmental Performance Index 2012, the country ranked 18<sup>th</sup> out of 132 countries with a score of 64.79.

(Country Analysis Report; Czech Republic, Marketline, 2013)

**4.2.2.3. United Kingdom***Political Landscape*

- The UK is one of the most prosperous and influential nations in the world and has a large role to play in the international scene. It is one of the five permanent members of the United Nations Security Council, one of the founding members of the North Atlantic Treaty Organization NATO, and a member of the Group of Eight G8. Though a member of the EU, it has a conservative approach to the issue of European integration.
- The UK adheres to a democratic, parliamentary form of governance known as the Westminster system that calls for the distribution of power between the executive branch led by the prime minister, the bicameral legislature and the judiciary. The UK is one of the most successful nations in terms of the application of the rule of law, control of corruption, government effectiveness, and regulatory quality.

*Economic Landscape*

- According to the International Monetary Fund, the current account deficit stood at 3.31% of GDP in 2012, and dropped to 2.70% in 2013.
- The UK is one of the largest economies in the EU, and is one of the strongest in terms of social welfare and standard of living. Among the EU nations, the UK has one of the highest levels of GDP per capita in terms of purchasing power parity.

### *Social Landscape*

- Residents of the UK enjoy a standard of living comparable with those in other developed countries. Decades of solid economic growth have helped in the development of robust social infrastructure. The UK's education and healthcare delivery systems rank among the best in the world.
- The government's policy of *managed migration* could prove crucial in helping to offset the effects of the aging population on the economy. The speed at which the ratio of children and those aged above 65 is rising relative to the working age population is of concern to policymakers.

### *Technological Landscape*

- The UK is renowned for the quality of its research and development R&D and its strengths in science and innovation. The country has also traditionally been keen to encourage R&D in both the public and private sectors. The gross expenditure on R&D increased to £27.4 billion in 2011, up by 5% over 2010 expenditure in current prices terms.
- Despite the quality of educational and research institutions within the UK, there is a shortage of work force in the R&D sector. Another factor behind this is the attractive opportunities available outside of research within the UK. Moreover, technicians in R&D (per million people) have constantly been on a declining trend, dropping from 907.6 in 2008 to 837.0 in 2010.

### *Legal Landscape*

- The UK was named the 14<sup>th</sup> freest economy worldwide by the Index of Economic Freedom 2013 compiled by the Heritage Foundation and the Wall Street Journal, and was ranked seventh in the World Bank's Doing Business indicators for 2013.
- The legal system in the UK is organised, transparent, and efficient. This makes for an environment that is conducive to business. At the same time this legislation is enforced in a fair manner by a number of agencies set up for monitoring specific areas.

### *Environmental Landscape*

- In June 2010, the European Commission issued a second and final warning to the UK over air quality, and asked it to come up with a pragmatic solution to pollution. London suffers from high air pollution, while Manchester, Glasgow and Birmingham have dangerous levels of nitrogen dioxide.
- The UK's renewable energy market had total revenues of \$6.7 billion in 2011, representing a compound annual growth of 12.4% between 2007 and 2011. In comparison, the French and German markets grew by 3.4% and 3.3% over the same period.

(Country Analysis Report; United Kingdom, Marketline, 2013)

### **4.2.2. Company Background**

The roots of Andromeda Hotels can be traced back to the 1960s when the company founder established the first hotel property in the southern EU region; soon after that the family run company rapidly expanded into a portfolio of hotel properties registered under Andromeda Hotels Plc. In the 1970s, Andromeda Hotels continued its rapid growth and a 50% share of the company was acquired by an international investment house before the company being listed on the stock exchange to attract further public and private investors.

The remarkable success of Andromeda Hotels is ascribed to the management policy of implementing high service standards across the company's hotels and investing in hotel properties that are unique in architectural design, but at the same time preserving the hotel properties' local idiosyncrasies and cultural traditions while delivering prominent standards of service. At the time of the research, Andromeda Hotels, both owned and managed on behalf of other owners a portfolio of 13 hotel properties across ten countries. The owned and managed Andromeda Hotels included eight properties of 2,902 rooms, in comparison to five hotel properties of 1,441 rooms managed on behalf of third party owners.

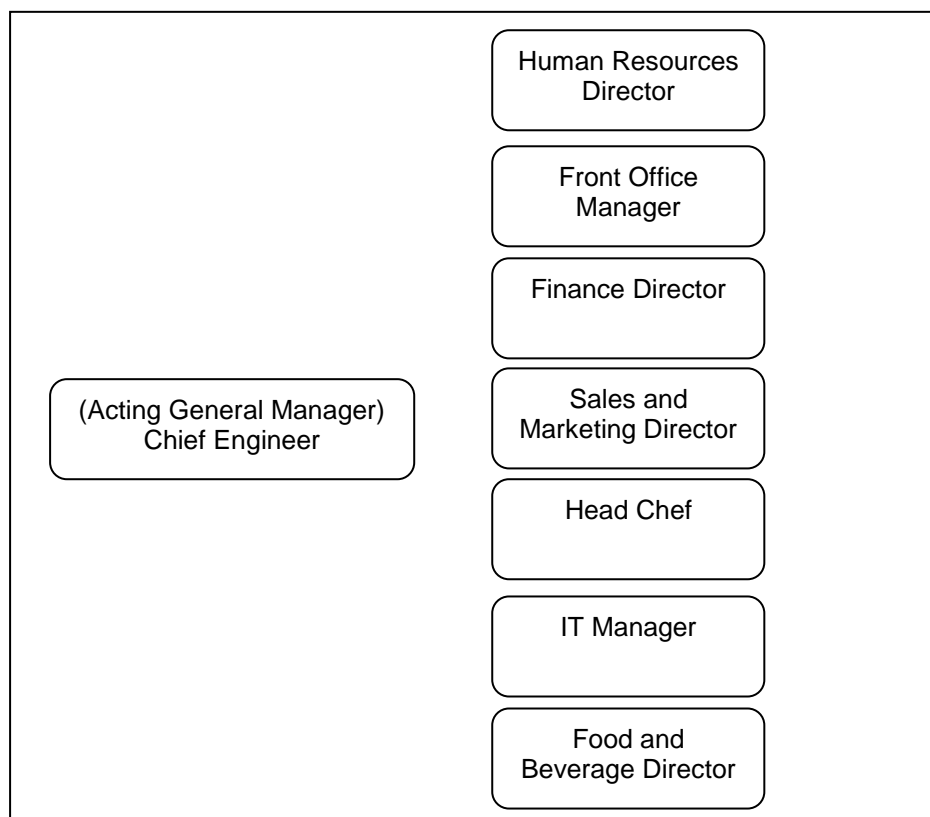
The portfolio of Andromeda Hotels' properties included five stars Andromeda branded hotels and resorts, and other less rated but stand-alone branded hotel properties. Andromeda Hotels, however, further plans to acquire more hotel properties and expand the present portfolio in Europe and Africa to other countries in the Middle East and North America. Generating additional capital value and operating income are also among

Andromeda Hotels future aims by investing in real estate such as residences for sale or rent, shopping centres and office blocks adjoining the company owned hotel properties.

### 4.3. Management Structure

#### 4.3.1. Andromeda Hotel Lisbon

The management structure in Andromeda Hotel Lisbon consists of three main hierarchical levels: the hotel Executive Committee at the top level, the middle management and junior employees at the bottom level of the hierarchy. The Executive Committee includes the hotel General Manager and Heads of Departments, while the middle management includes Assistant Department Directors and Supervisors (see Figure 4.2). However, at the time of the research the hotel Chief Engineer was authorised to carry out the General Manager's duties until a new General Manager was appointed. In total, the hotel employs around 463 employees, including employees contracted by external employment agencies. Most employees spoke English while some employees were multilingual and came through higher education, and thus were of professional calibre.



(Figure 4. 2: Executive Committee, Andromeda Hotel Lisbon)



The hotel property is managed through a combination of *formalisation* and *socialisation* strategies in addition to direct corporate management intervention (see Section 2.6), where service procedures are carried out per the prescribed corporate systems of practice SOPs (see Appendix 10) and corporate values, except that Corporate Directors also directly monitor performance at the hotel property through occasional visits. The hotel Executive Committee additionally process monthly performance results through Market Metrix<sup>1</sup> (see Appendix 11), that are reviewed by the company head office along with the Executive Committee annual report. Both the Security Department and the hotel Spa and Leisure Club are managed by contracted external partners who still report to the hotel Executive Committee and abide by Andromeda Hotels' SOPs.

#### 4.3.2. Mizar Prague Hotel

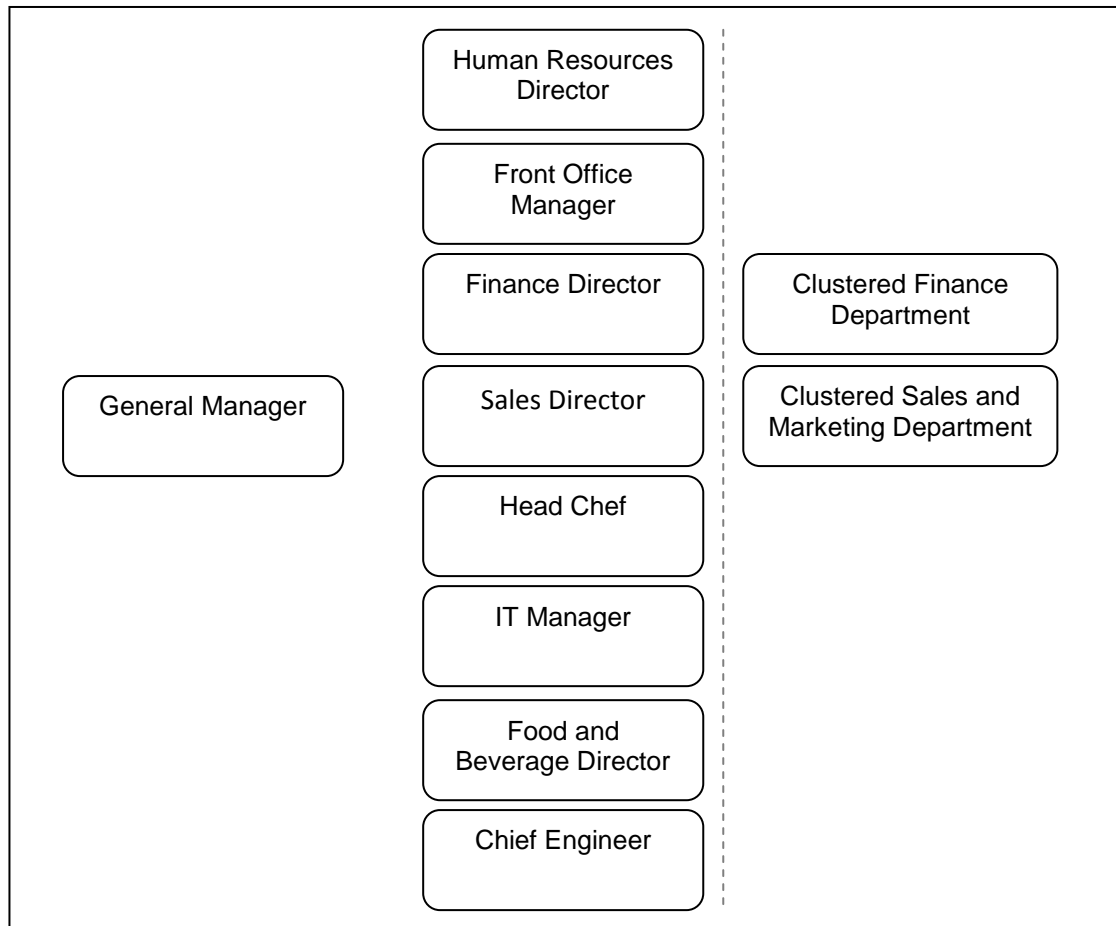
*Socialisation*, *formalisation* strategies and direct management intervention are familiar features of the management strategy in Mizar Prague Hotel; the Executive Committee manages the hotel on behalf of the property owners in accordance with the SOPs issued by the company head office while they monitor the performance of the hotel management through direct intervention and through clustered departments in conjunction with both Andromeda and Mizar Prague Hotels' Sales and Marketing Departments. The hotel Executive Committee furthermore reports monthly performance indicators through Market Metrix along with the annual performance report that are both received by the corporate management.

The highest level of the management hierarchy in Mizar Prague Hotel is the Executive Committee that includes the Hotel General Manager and heads of departments. The next level in the hierarchy or the middle management includes the Assistant Department Directors and Supervisors, while the bottom level in the hierarchy is represented by the *junior employees* (see Figure 4.3). The total count of employees was 394 including employees contracted by external recruitment agencies, while some of the contracted employees were students coming from neighbouring countries on summer holidays. During the research, it was recognised that employees of executive and supervisory roles were more likely to be highly educated and were able to communicate in multiple

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<sup>1</sup> Market Matrix is a market research, evaluation and development agency that combines technology with innovative research. Market Matrix is a worldwide leading agency in helping clients learn about their customers through novel feedback technology.

languages, where some junior employees in restaurants or housekeeping could not communicate in English effectively.



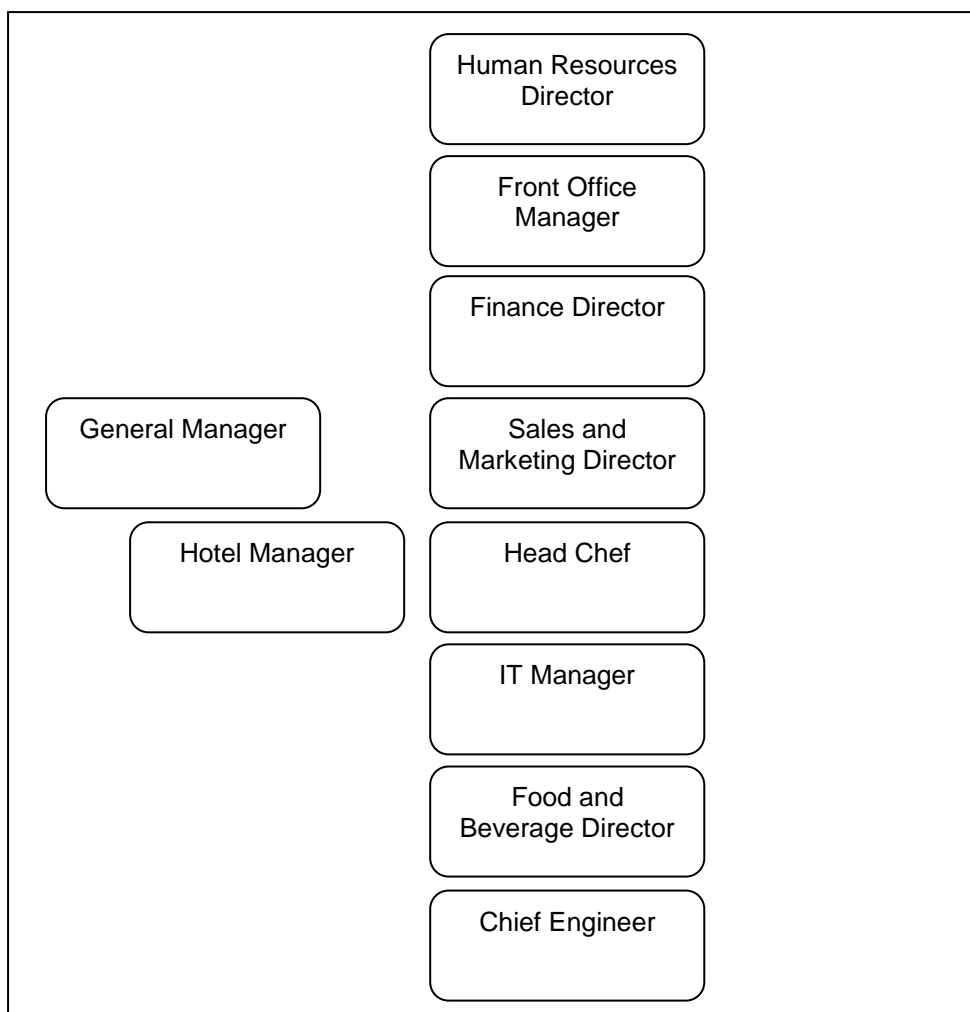
(Figure 4. 3: Executive Committee, Mizar Prague Hotel)

### 4.3.3. Andromeda Hotel London

Since its pre-opening preparation, Andromeda Hotels has largely invested in attracting highest calibre personnel to manage the new flagship London hotel property; the pre-opening team aimed to target recruits who worked in London's most prestigious hotels and most experienced managers. Andromeda Hotel London soon became the flagship hotel property among the portfolio of Andromeda Hotels and one of London's prestigious hotels renowned for its distinguished interior and service excellence. Andromeda Hotel London also benchmarked its service standards with London's competitor five star hotels of

highest standards, and in accordance, Andromeda Hotel London assisted in writing the SOPs to be implemented in other Andromeda Hotels.

Similar to the other two researched hotels, the Executive Committee represents the most senior level of the management hierarchy in Andromeda Hotel London and includes the hotel General Manager, the hotel Manager and department heads (see Figure 4.4). The subsequent level in the management hierarchy is the middle management including the Assistant Department Directors and Supervisors, while the bottom level in the hierarchy is represented by junior employees.



(Figure 4. 4: Executive Committee, Andromeda Hotel London)

The hotel property is managed through direct corporate management intervention as well as through *socialisation* and *formulisation* strategies; Corporate Directors frequently visited

the hotel property and participated in management procedures including writing the SOPs, which set the standards of management and service delivery in Andromeda Hotel London and other Andromeda Hotels.

Andromeda Hotel London employees around 529 employees, both contracted by the hotel management and external recruitment agencies. The hotel employees come from diverse backgrounds, where at the time of research the Human Resources Department reported many different nationalities; this diversity helped in enriching the guests' service experience, i.e. the hotel Front Office prides itself in being able to fluently communicate with the hotel guests in seven different languages.

## **4.4. Physical Structure**

### **4.4.1. Andromeda Hotel Lisbon**

Located in a prime business location, the five star rated hotel is renowned for its outstanding design and elegant interior as one of the prime hotel properties in the Portuguese capital. The hotel property was acquired by Andromeda Hotels in 2003, after being owned by another hotel brand, and has undergone several phases of refurbishment since the hotel's opening. The Andromeda Hotel Lisbon property contains 518 rooms and 43 elegant suites over 24 floors; the room types vary from executive queen, superior twin and deluxe king to family rooms in comparison to junior, executive junior, executive, ambassador and presidential suites.

The hotel property additionally features large conference and meeting facilities, occupying 32,000 ft<sup>2</sup> of the hotel building, containing 16 fully equipped rooms with the capacity for hosting 1,400 delegates. The hotel property also includes the Spa and Leisure Club, which is managed by another contracted company, offering wide therapeutic and recreation services for both the hotel guests and external users.

The hotel property incorporates two main restaurants and three lounge bars along with the hotel Business Lounge (see Table 4.1). The hotel restaurants and lounge bars have received multiple awards and are renowned for their state-of-the-art interior and exceptional special menus by local communities and in restaurant review websites.

Restaurant A	The host of morning breakfast and venue for banqueting lunches and dinners. Restaurant A opens access to the terrace garden during spring and summer months to create a relaxing atmosphere.
Restaurant B	The hotel's main restaurant that serves Portuguese, Mediterranean and international daily buffet meals. Restaurant B is a popular restaurant for its contemporary décor and live cooking among both the hotel guests and non-resident guests who visit the restaurant during lunch or evening time.
Lounge Bar A	The hotel's main lobby lounge that overlooks the terrace garden. Lounge Bar A is a popular venue for lunch or evening guests who are usually interested in the tailored selection of beverages and a wide selection of light meals in an unwinding environment.
Lounge Bar B	Located in the beautifully enhanced garden of the hotel, Lounge Bar B is most popular for its thematic displays and large outdoor screen. Lounge Bar B is redesigned to host a new theme each spring/summer season (see Appendix 12) and offers morning, afternoon and evening meals for both the hotel guests and non-resident guests.
Lounge Bar C	Located in the heart of the hotel building, Lounge Bar C is popular for serving a wide variety of beverages and pastries. Lounge Bar C is a favourite meeting venue for work breaks or afternoon tea for both the hotel guests and non-resident guests.
Business Club Lounge	The Business Club Lounge is open to subscribers of the club and complements suites and selected rooms' bookings. The Business Club Lounge is located in the upper floor of the hotel and offers personalised business services, workstations, newspapers, and wireless internet access along with all day complementary refreshments and snacks.

(Table 4. 1: Restaurants and Lounge Bars in Andromeda Hotel Lisbon)

#### 4.4.2. Mizar Prague Hotel

Mizar Prague Hotel is among other stand-alone brand hotel properties managed by Andromeda Hotels; the four star rated hotel property was built in the 1980s during the communist regime in the Czech Republic and was acquired by Andromeda Hotels in 2006. Mizar Prague Hotel is situated within a prime business centre; the hotel property is within 100 metres of an ultra-modern shopping complex that together with neighbouring restaurants, cafes, banks and office blocks form a vibrant surrounding for the hotel property. The hotel property is connected with Prague city centre through the metro network, distanced five stops away from the nearby metro station. The hotel property features 440 rooms and 10 suites; the room types vary from superior, business and executive rooms to executive and presidential suites.

The hotel property additionally includes seven fully equipped conference and meeting rooms of over 6,178.5 ft<sup>2</sup> with the capacity to host 460 delegates. The hotel property also includes a dedicated fitness and wellbeing centre that is located on the hotel top floor,

allowing a spectacular view of the city of Prague. The hotel's Main Restaurant was the only operating restaurant at the time of research among the three large restaurants in the hotel property, along with two cafe bars and the Business Lounge (see Table 4.2).

Main Restaurant	The Main Restaurant in the hotel opens its doors early to serve the morning breakfast. The restaurant serves dinner a-la-carte for the hotel guests along with seasonal specialities prepared by the hotel's head chef.
Cafe Bar A	The main lobby lounge cafe bar and a favourable venue for business and lunch meetings. Cafe A offers a tailored selection of beverages and a daily menu of steaks and salads for lunch and evening meals.
Cafe Bar B	Cafe B is opened in the terrace area during the spring/summer season for guests and non-resident guests who come from neighbouring offices for work breaks. Cafe B serves a selection of beverages and light meals during lunch and evening times and is the only smoking area in the hotel property.
Business Lounge	The Business Lounge is available for suites and executive room guests. The Business Lounge serves complementary refreshments in addition to printing services, magazines and newspapers and wireless internet access.

(Table 4. 2: Restaurant and Cafes in Mizar Prague Hotel)

#### 4.4.3. Andromeda Hotel London

The five star rated and several award winning hotel property opened its doors in April 2011 to become one of the flagship properties of Andromeda Hotels; the Victorian hotel building, which dates back to the 1880s, is situated in central London within minutes from Trafalgar Square, Covent Garden and other historic landmarks. The lavishly designed hotel property features 294 rooms, 40 suites and seven penthouses; room types include superior king, deluxe king and executive king rooms while the hotel suite types include junior, deluxe, Whitehall, Trafalgar and river suites; these rooms and suites vary in size and features. The hotel property also includes seven luxury penthouses, which are mostly favoured by royalty and celebrity guests.

The award winning Spa and Leisure Centre occupies 32,000 ft<sup>2</sup> over four floors of the hotel property and attracts many users, both hotel guests and non-residents. The iconic Spa and Leisure Centre is managed by a distinguished contracted partner and offers distinguished wellbeing treatments and fitness facilities. Another two branded concession outlets are located in the hotel lobby offering fresh flowers and specially made gifts.

The conference and meeting facilities consist of two banqueting halls occupying 339 ft<sup>2</sup> of the hotel building in addition to six meeting rooms fully equipped with the latest conference and meetings' technology and being attached to the dedicated hotel business centre. The

hotel property also features two private dining rooms attached to the two main restaurants, in addition to the Lobby Lounge and three cafe bars (see Table 4.3).

Restaurant A	The main hotel restaurant serving the morning breakfast and modern British cuisine during lunch and evening meals. Restaurant A has received multiple awards and has frequently been top voted in restaurant review websites.
Restaurant B	The hotel flagship and award winning restaurant. Restaurant B specialises in modern Italian cuisine. Restaurant B is renowned for its elegant interior and continuous adaptation of meals and beverages served.
Lobby Lounge	Located in the hotel lobby and by the two main restaurants, the Lobby Lounge offers all day dining options and is a favourable meeting venue for afternoon tea for both the hotel guests and non-resident guests.
Cafe Bar A	Cafe Bar A is distinguished by its contemporary design and live music; the cafe bar serves casual meals and a wide selection of refreshments and cocktails.
Cafe Bar B	The hotel's main cafe bar with the largest seating area, Cafe Bar B is increasingly becoming a popular venue for unwinding and socialising. The cafe bar serves a wide variety of beverages and afternoon meals.

(Table 4. 3: Restaurants and Cafe Bars in Andromeda Hotel London)

## 4.5. Concluding Remarks

Since being established in the 1960s, Andromeda Hotels has continued to maintain steady growth of its portfolio of hotel properties and attracted public and private investors to acquire shares in the publicly trading company. The rapid success of Andromeda Hotels is ascribed to investing in hotel properties that are unique in architecture and design, and through delivering high standards of service while preserving local cultural traditions.

In the three researched hotel properties, the local management teams complied with corporate SOPs designed by the company head office, except that Andromeda Hotel London, being the flagship hotel property, assisted the corporate management in writing these SOPs.

In comparison between the three researched hotel properties, both similarities and differences could be highlighted; the three cases researched implicated contextual peculiarities at the broader external and internal levels. The similarities are most noticeable in the management structures and procedures, while the main differences included the variation in countries' innovation climate, employees' calibre and the four star rating of Mizar Prague Hotel. In essence, Table 4.4 lists the key similarities and differences between the three researched cases.

### Similarities

- Both the Portuguese and Czech Republics were classified as *moderate innovators* in the EU Regional Innovation Scoreboard Report (2012).
- The cities of Lisbon, Prague and London were classified as innovation *leaders* in comparison to other local regions in the EU Regional Innovation Scoreboard Report (2012).
- The three hotel properties are similarly managed through a combination of *socialisation* and *formulisation* strategies in addition to direct corporate management intervention.
- The three researched hotels managements employed external personnel who have been contracted by external employment agencies.

### Differences

- The UK was rated higher than Portugal and the Czech Republic as an *innovation follower* in the EU Regional Innovation Scoreboard Report (2012).
- The Portuguese Republic is facing an economic crisis and increase in unemployment rate that affected the hospitality sector.
- The automotive industry contributes largely to the economy of the Czech Republic implicating high reliance on exports to other EU countries.
- The UK is one of the largest economies in the EU, and is one of the strongest in terms of social welfare and standard of living.
- Less technology patents was produced at the Portuguese national level reflecting government's lack of commitment to encourage innovation.
- The government of the Czech Republic allocated substantial additional expenditure for research and development R&D since 2003 reflecting further commitment towards investment in innovation.
- The UK is renowned for the quality of its research and development R&D and its strengths in science and innovation.
- At the time of the research the hotel Chief Engineer was authorised to carry out the General Manager's duties until a new General Manager was appointed in Andromeda Hotel Lisbon.
- In Mizar Prague Hotel, the Sales and Marketing departments were jointly managed by Andromeda and Mizar Prague Hotels' managements through clustered structures.
- In Mizar Prague Hotel, the hotel employees of executive and supervisory roles were more likely to be highly educated and multilingual compared to some other junior employees in restaurants or housekeeping could not communicate in English effectively.
- Andromeda Hotels managed Mizar Prague Hotel as a stand-alone brand on behalf of the property owners.
- Andromeda Hotels has largely invested in attracting highest calibre personnel to manage the new flagship London hotel property.
- Andromeda Hotel London manages a highly diverse work force implicating varied backgrounds and many different nationalities.
- Mizar Prague Hotel is a four star hotel property compared to the five star rated Andromeda Lisbon and London Hotels.

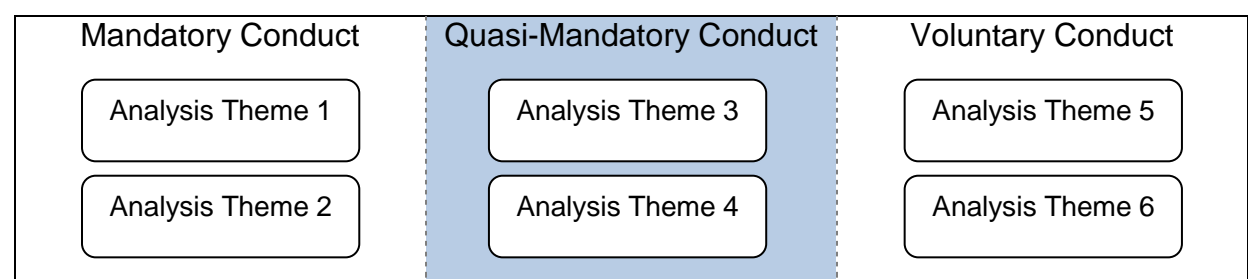
(Table 4. 4: Researched Case Studies' Key Similarities and Differences)



5. Chapter Five: Presentation of Research Data

5.1. Introduction

The rational of this chapter is to collectively link the research outcome of the three case studies to each relevant analysis theme. As explained in *Chapter Three*, the analysis themes emerged from both reviewing the research-related literature and the data analysis process. In essence, it was possible to distinguish between three main categories as *mandatory*, *quasi-mandatory* and *voluntary individual innovative behaviour* conduct in addition to the factors influencing *innovative behaviour* among employees (see Figure 5.1).



(Figure 5. 1: Design of Analysis Framework)

This chapter consists of three key sections; the first section reviews the interviewees’ attitudes towards innovation conduct while the following sections include the analysis of research data in line with the main categories mentioned and six further subcategories. At the end of this chapter, the outcome of the assessment of nine micro case studies is presented to triangulate the evidence—the micro cases consist of innovation projects progressed by the research respondents.

5.2. Attitudes towards Innovation Conduct

The misconception of service innovation that has been highlighted while conducting this research evidently pointed towards the inconsistency between service employees’ practical understanding of innovation and how service innovation has been theoretically conceptualised. Most interviewees initially referred to innovation as some kind of invention (i.e. technical breakthrough), and therefore it was necessary to explain the scope of service innovation including typology and the role of employees in initiating ideas for

innovation. Examples of different types of innovation were provided to avoid any misinterpretation of the research aims and questions.

Appreciation and recognition of innovation as a significant determinant of service excellence varied among interviewees; in some cases innovation was perceived as a core strategic advantage in service design and delivery, while on other occasions service innovation was described as unimportant or at least an unnecessary addition to the hotel service mix that should abstractly provide accommodation to hotel guests. Yet, it is also important to mention that it was commonly recognised that interviewees subconsciously initiated or helped develop less radical forms of innovations without realising this. The following subsections include examples of interviewees' conceptions and attitudes to innovation.

### 5.2.1. Andromeda Hotel Lisbon

Evidence emerging from analysing the interview data revealed that attitudes towards innovation and innovation-related conduct varied from one individual to another, but more frequently it was identified that employees of more **senior management** positions have shown further awareness of the importance of innovation conduct. At the **senior management** level innovation was perceived as a means of *surprising guests* or *exceeding guests' expectations*. For example, as explained by the Training and Quality Manager, *'...we surprise the guest with the smallest things...I remember when...for example, we were told in one training that we usually offer a birthday cake for guests on their birthday to surprise them, and there were a couple that have come with a child who was two years old so instead of giving them a standard chocolate cake it was decorated with children ornaments, something suitable for the age of the child. And the child and the parents were amazed with the gesture although it was a small thing...'*. Additionally, *idea generation* is conducted as a means of *problem solving*, according to the Food and Beverage Director: *'...the thing is I'm a problem solver OK...so I have this problem and I think of alternatives, how to solve this problem, not only for myself but for others...I'm not a creative person....I love to solve problems...'*.

*Idea generation* was also associated with *employees' effectiveness* by **senior management** as highlighted by the Security Manager: *'...if we are sharp people then we sit and take some time to see what's around us...'*, and as employee *proactivity* as the

Food and Beverage Director commented, *'...I call it proactivity but it is ideas on a daily basis...ideas to provide a better service, ideas to be proactive, ideas to make an example for others as a manager that we have to think in advance...'* The Training and Quality Manager additionally referred to the relationship between innovation and corporate values (see Appendix 13): *'...with our value genuineness (corporate value) what we aim for and what we try to introduce to employees is that you need to be genuine...be the person that you really are...and OK you have this standard to follow but of course that...I mean you have your own creativity and that's something that is associated with this value and to the enthusiasm value (corporate value)... you have to go outside your duties to please the guest, and this is enthusiasm, you do it because you want...you really want to do it...not because they told you to do it or because the standards say that you need to do it...'*

At the **middle management** level, answers associated innovation with *market development* as the Sales Executive commented, *'...in my job it's a little bit difficult because you have almost everything already created, but one thing that we...it's a little bit innovative in the environment of the city of Lisbon in the hospitality industry, was to seek for a new market, such as Africa for example...'* Service excellence was also associated with innovation by the Housekeeping Supervisor: *'...I have some procedures SOPs and perhaps I have a request by a client...so to give a good service I adapt procedures...'* The Porter Supervisor related innovation with *efficiency* as: *'...in our company we can never say no to our guests...we only say no when we have tried everything... but before that we have to find out all the ways...'* In a sceptical view, a Level 2 interviewee described idea generation as *additional and time consuming* conduct and further noted that, *'...my team, they don't have time to do this...sometimes we have a short brainstorming with two or three employees of my colleagues...'*

At the **junior employees'** level, innovation was linked with *improving work conditions*. The Food and Beverage Waitress said, *'...I suggest something that can improve our work... we have difficulty because we have to go to the rooms and take the lift all the time, so we asked if we can use one lift (designated lift), even a small one, we have four. And we asked only if we could use the small one because we take a lot of time waiting to go upstairs, so we wait for 20 or 30 minutes for delivery...'* Idea generation was perceived as *individually determined* conduct such as when the Guest Relations Agent 2 expressed that, *'...I believe that most of ideas come from the person himself...if the person is committed...if the person is focused...and if the person has his own interest...For instance I*

*was contracted as a guest relations agent. I could focus myself just on being a guest relations agent, but my whole college information and so on was on heritage and tourism information so I came up with this idea of the monthly agenda...it's something that of course also has to do with what I do but apart from that it took me to another level...'*

### 5.2.2. Mizar Prague Hotel

At the **senior management** level innovation was recognised as *change in job roles*. For instance, as per the Front Office Manager interview: *'...personnel wise, front office is going through some changes at the moment...in structure basically just trying to get new people in and so on...we have changed a procedure in regard of night auditors vs. shift leaders. Because when I started, the night auditor was basically checking reservations and then the shift leader was doing the night audit technically...so basically we have taken from the Director of Finance the financial guidelines and we have put a new checklist for the night auditors and basically put it in place...'* Renovation of physical structure emerged as another conception of innovation, and the hotel's Food and Beverage Director expressed his view on innovation as, *'...the hotel is undergoing a major project to upgrade the layout of the hotel lobby and restaurants...this started when the management decided to update the hotel rooms and the restaurants that they thought were not up to the standard of a four star hotel...'*

From another aspect, the hotel's Head Chef related innovation to *improving work procedures* when he provided this example: *'...we used to have two large kitchen areas in the hotel, one on the ground floor and another one on the first floor...and we had the pastry preparation area on the ground floor and that was taking time and effort to take the pastry from the ground floor to the restaurants on the first floor...so the previous General Manager at that time suggested moving the pastry preparation area to the other restaurant on the first floor...and now we have it on the first floor...'* Innovation was also linked to *business development* by the Sales Manager: *'...we are working on a project to recruit local corporate clients...we have great conference suites and meeting rooms here in the hotel that are not generating income as expected, especially that we are located within a business centre of the city of Prague...so the General Manager of the hotel suggested that we invite local business executives to a meal here in the hotel and show them around the conference and meeting facilities that we have...'* In a less optimistic statement, a Level 1 interviewee denied the likelihood of promoting *innovative behaviour* conduct among

employees due to *cultural incompatibility*: ‘...I have experienced during my time here the absence of a service culture among employees...this may have to do with the country’s political past and culture of mass manufacturing...so in terms of innovation if I ask employees to generate ideas they will ask for remuneration as they may see this as not part of their job...’.

Innovation was similarly linked with *business development* at the **middle management** level according to the Health and Safety Manager: ‘...probably you have already noticed that we have meeting halls in the hotel...not all of them are hired most of the time so I suggested to the hotel General Manager that...because we are located in the middle of a business centre, we could convert one of the meeting rooms with the terrace into a franchised cafe, like Starbucks, to attract customers working in the offices around us...’; and also to *employees’ effectiveness* as conceptualised by the Assistant Front Office Manager: ‘...we received many complaints from front office employees about dealing with guests’ enquiries about how to use the Metro to travel around Prague landmarks...some of our employees come from abroad or from other cities and when they are asked how to use the Metro it takes them some time to find out by searching the Internet...and that is problem when the hotel reception is busy...so I thought of having a map that shows the Metro stations and landmarks around Prague to be ready for the guests...’ (see Appendix 14).

Among **junior employees**, it was recognised that innovation was conceptualised to be embedded in *guest orientation*, as highlighted by the Food and Beverage Waitress: ‘...I raised a number of issues with my manager...some of the drinks we sell at the lobby are too expensive in comparison with cafes and bars in the nearby shopping mall...I also find it inconvenient for our guests not to accept Euros in our lobby and restaurants...and not to have menus in multiple languages, such as German, since we have many foreign guests...’. The Marketing Coordinator moreover referred to the link between innovation and *problem solving*: ‘...our guests who booked their stay through Expedia or Booking.com complained about not having rooms with a city view...when they book rooms online they would be asked if they would like to have a room with a city view...and when they arrive here our database doesn’t show this preference so they end up in rooms that don’t overlook the city because we don’t have enough rooms available...guests consider this as misleading and they would complain about it...so our IT department is in the process of

*updating our Opera system to only offer rooms with city views when they become available...’.*

### 5.2.3. Andromeda Hotel London

Due to the fact that Andromeda Hotel London was opened in 2011, it was remarked in some interviews that innovation was frequently related to *pre-opening arrangements and design*. Therefore, it was necessary to outline the scope of innovation and *innovative behaviour* conduct to interviewees by providing exemplar scenarios of innovations in the hotel service sector. Initially, and at the **senior management** level, innovation was perceived as *pre-opening arrangements*. For instance, according to the Front Office Manager: *‘...personally I have been here since the preopening stage, so I’ve built up all the procedures together with the Front Office Manager starting from the scratch, because of course we didn’t have an example from Andromeda because the idea was...Andromeda said create your own procedures and then pass all procedures created to the rest of the company...’.* Problem solving was mentioned as another parallel impression by the Executive Housekeeper: *‘...innovation means usually something new. However, what we found is when you have a problem whether it’s a logistical problem, whether it is guest services, etc....you try to find new ways to provide a solution...’.* Moreover, smoothing operations was identified as equivalent to innovation by the hotel IT Manager: *‘...the innovation that we bring into the business is to smooth operations. Now smoothing operations is not the technical part, it is how you understand the work flow...we look at it from a bird’s eye view; nobody knows about this because obviously it’s our job to understand, and if we see for example a bottleneck at reception when too many people are in a queue...[we think] why? What’s happening? Is the system being too slow? Don’t you have enough people in the front?...so then we raise this with the higher manager saying, ‘Wait now we found another solution’...’.*

Innovation was also mentioned compatibly with *pre-opening arrangements* at the **middle management** level; the Middle Eastern and Diplomatic Sales Manager at the hotel explained accordingly: *‘...a lot of the stuff that we have done here is because we were literally starting from scratch...so for example when I came initially I said we should have a standard for the Middle Eastern guests, we should have a prayer mat and a copy of the holy Quran as a standard when they arrive. We put in the rooms a prayer mat and a*

*Quran, a lot of people have told me that it's a very nice touch and there are not that many hotels that are doing it...'. Another corresponding expression about innovation was cost reduction, as highlighted by the Human Resources Manager: '...so we have a magazine every season and it's a magazine for the team...so it features recipes from the kitchen or who's the chef of the month or it will have a colleague in the spotlight so we ask him questions...and then it will have anything that is going on socially...you know it's just like a really nice staff magazine that people can read...and its glossy and actually cost a lot of money to produce and we didn't realise how much until we looked at the printing bill...and actually per copy of magazine it was quite costly...so we decided to reduce the budget to and save some money somewhere so we decided to send it electronically...'; exceeding guests' expectations as noted by the Conference and Events Manager: '...I would say for a regular guest, the first time might go better than expected and then the second time everything is as expected because they came last time and they know what to expect, so therefore, for the regular customer what are you going to do differently to exceed their expectation and each department has to think about that...'; or surprising guests such as the example provided by the Banqueting Operations Manager: '...at the beginning we were like thinking of things, a sort of a 'wow' factor...something I did was all the brides and couples that come in were given a complementary engraved cake knife to take away...that's something I've done myself, so they get you know names, dates and so on...'.*

*Application of new technology was outlined as a form of innovation. For example, the Head of Concierge linked the two as, '...in terms of technology, one of the big benefits that we have on the concierge is GoConcierge (see Appendix 15), which is a web based...it works like a calendar of logging in guests' requests such as theatre requests, transportation, restaurant requests and confirming back and creating itineraries for the guest...in the past this was unheard of in the business, still quite a lot of concierge desks in London use diaries...'. According to the Head Therapist, innovation would be practised in the form of ongoing change: '...innovation is obviously not written down in my contract like to bring good ideas but I think because our jobs are not set in stone, like they change every single day as things may arise so you constantly have to find ideas and solve problems every single hour...'.*

**Junior employees** strongly associated innovation with *improving work procedures*, as per the Human Resources Talent and Development Officer's comment: *'...another idea that*

*came up was the exit interview we need to do when someone leaves...so instead of printing paper and getting the person to fill it in....we came up with an online tool where all the questions are designed and then you get the results automatically so you can have these charts and trends to see how you can analyse more quickly than with paper...'. The hotel Concierge also referred to the role of innovation in improving work procedures: '...if there is something that I see that just seems like an inconvenient way to do things and there was a more straightforward simpler way I would tell my manager, I would tell the General Manager...I mentioned to him before in a meeting in regard to when I was a porter there were some of the doors that were quite a bit difficult to handle...with the trolleys and open the doors at the same time, I mentioned just to put a magnet and the door stood at the wall and it was kind of make life easier which was received very well...'.*

### **5.3. Mandatory Conduct**

#### **5.3.1. Frontline Interaction**

The direct interaction between the hotel employees, the hotel guests and service delivery environment proved an opportunity to generate contemporary ideas; the direct involvement of frontline employees in the service delivery system allows them to observe guests' ideas, aiming to adapt the service settings to guests' needs and requirements.

The outcome of interviews and observing frontline employees' interaction with guests revealed that this interaction may be regarded as helping to generate ideas for innovation in two capacities. *One*, ideas that are directly expressed by the hotel guests such as complaints or expressions of special needs and requirements. *Secondly*, ideas that are inspired by employees' intuition after encountering guests' situations within the service delivery system. From a guest perspective, it would be possible for the hotel guests to express their ideas and feedback given directly to frontline employees by approaching any of the service area employees, i.e. restaurant waiters or front office receptionists, or service area supervisors or line managers, or even by filling in the guest feedback card (see Appendix 16).

As will be explained in the following subsections, in the three researched case studies the interaction between frontline employees and the hotel guests helped generate contemporary ideas for innovation.



### 5.3.1.1. Andromeda Hotel Lisbon

Interaction between employees and guests at the operational level was consistently detected during observation of the employees while carrying out work duties in the hotel's Front Office and Food and Beverage service areas. While observing the hotel employees at the Front Office desk, it became apparent that the Front Office was the prime contact point for the hotel guests to communicate their needs and requirements or express dissatisfaction, as well as being the communication medium between the hotel guests and other departments in the hotel. In agreement, the Guest Relations Agent 1 at the hotel Front Office desk further explained, *'...in my area, in my department we actually work more or less with everyone in the hotel...we are the guest service so we have a daily-based relationship with everyone from housekeeping to maintenance to room service to reception...if there is someone that needs to know anything about what's going on in the hotel, of course in terms of operation matters, it has to be us...'*

The Guest Relations Agent 2 further referred to frontline employees' exposure to guests' needs: *'...the staff at the frontline...we know the guests' needs and this is very important...this is the key for success, the company's success I think, to know the guests' needs...and as we work directly with them every day we can know better what we can do to give them a better service...'* Consequently, it was substantiated that the employees at the operational level, i.e. **junior employees, supervisors and line managers** who are directly dealing with guests' requirements or problems are consistently exposed to contemporary ideas for innovation aiming to improve service standards or resolve guest problems. For instance, the Front Office Manager commented on this: *'...even on a daily basis, speaking with guests you can understand the guests' needs and like that everything to gather here (pointing to head) an idea just pops up like that...'*

Evidence of innovations that were initiated by ideas developed through interaction between the hotel guests and frontline employees continuously emerged. Table 5.1 exhibits innovations that were instigated by interaction between the hotel guests and frontline employees.

Innovation	Description
Internet Access	Wireless internet access was made freely available to the hotel guests after many complaints were received by the Front Office about charging guests for internet access. The IT Manager also received guests' feedback through Market Metrix <sup>1</sup> expressing dissatisfaction with internet access charges.
Room Amenity Upgrade	The hotel front office received complaints from female guests about newly installed hair dryers that were more suitable for male short hair styles. The hair dryers were reported to produce excessive heat and therefore may be uncomfortable for female guests with long hair.
Late Breakfast	Late breakfast was made available for the hotel guests after receiving requests by guests who find it inconvenient to wake up for breakfast hours because they may be coming from different continents and still need to adjust to local time. After receiving guests' feedback the Food and Beverage Director arranged serving breakfast late for guests until noon.

(Table 5. 1: Innovations Developed through Employee–Guest Interaction, Andromeda Hotel Lisbon)

Distinctive to the case of Andromeda Hotel Lisbon, it was remarkable that the management of the hotel encouraged employees' *frontline interaction* with guests by firstly maintaining a guest-oriented culture. For instance, employees were observed in service areas asking guests if they were unhappy with any aspect of the service or if there were any additions they could suggest for improving the service delivered. When frontline employees were asked about their motive for doing so, their answers confirmed that the hotel management pushed for communication and interaction with guests to better understand their needs and requirements. Secondly, the Front Office sub-divisions were reconstructed to be more guest-oriented. The concierge division was replaced by the two divisions of guest services and guest relations, and according to the Human Resources Director, *'...when we stopped the concierge and we started creating guest service and guest relations' agents, what we decided was that these employees will be the personal assistants of our guests, so everybody who is staying in the hotel will have someone that is taking care of their stay. And this will not mean only staying there waiting for the guest but calling the guest before arrival, and of course with the resources of the hotel you can't do this for all guests. But for VIP guests, they are contacted before their arrival just to see if they need anything, if we can provide any special thing they want to do when they are staying here, if they would like to go to restaurants and to be more proactive in the approach to the guest. Then when the client arrives in the hotel we already know*

<sup>1</sup> Market Metrix is a market research, evaluation and development agency that combines technology with innovative research. Market Matrix is a worldwide leading agency in helping clients learn about their customers through novel feedback technology.

*everything about the guest...and during their stay it's someone that knows the guest [that] will handle everything that the guest needs...'*

### 5.3.1.2. Mizar Prague Hotel

When analysing the interviewees' responses in the case of Mizar Prague Hotel it was explicit that the interaction between frontline employees and the hotel guests was less productive of contemporary ideas for innovation, and while observing employees' interaction with guests in the hotel's restaurants and cafes, there was little or no evidence of any frontline employees' effort to ask guests to provide feedback on the standard of service received.

Respondents from the **senior** and **middle management** explained that the reason behind the reluctance of **junior employees** in service areas to generate ideas for innovation through their interaction with guests is two-fold. One is due to the fact that many of the waiters/waitresses are contracted by recruitment agencies on a temporary basis and therefore this may affect their commitment to the job role. According to the Human Resources Director, *'...we work to collect employees' feedback on a daily basis...and we encourage employees to generate ideas about the guests, about work procedures and so on...and I must say that making all employees generate ideas will not be easy...for example we always have problems with Food and Beverage and room service staff, who are students working as waiters or housekeeping assistants on holidays or placements...I find it hard to make temporary employees become 100% engaged with the job role and generate ideas...'* Additionally, a Level 2 interviewee further confirmed complaining about temporary employees' performance to the hotel General Manager. Another Level 1 respondent further explained that many temporary employees come from neighbouring countries to the Czech Republic, and that the language barrier may prevent those employees from communicating effectively with guests in English.

*Secondly*, the absence of a service-oriented culture could have dispirited frontline employees from expecting any value from generating contemporary ideas through interaction with the hotel guests. A Level 2 interviewee commented, *'...frontline employees have more ideas but they are not interested in reporting ideas to the hotel management...'* A Level 1 respondent also referred to the cultural element that makes

frontline employees reluctant to report guests' ideas, as there is no personal gain for such conduct.

Although initiating ideas through interacting with the hotel guests is commonly unappreciated by **junior employees** in the food and beverage service areas, it was acknowledged that **senior** and **middle management** respondents were undoubtedly aware of the importance of the interaction between frontline employees and guests and the potential of generating ideas for innovation through this process. The hotel General Manager, for example, substantiated the role of line managers as they work closely with frontline employees who directly interact with guests. And both the Duty Manager and Food and Beverage Supervisor acknowledged that frontline employees are exposed to more ideas while they are interacting directly with the hotel guests and service environment.

From another perspective, it was clear during the interviews and while observing the Front Office employees that there was added indication of ideas initiated through interaction between the Front Office employees and the hotel guests. The observation at the hotel's Front Office revealed that employees were more enthusiastic about receiving guests' comments and trying to resolve guest complaints. For instance, during observation, one of the front office receptionists was approached over two incidents by guests. In the first incident, two guests were complaining about the remote control to operate the room's TV system and the Front Office Receptionist showed full attention and attempted to provide a prompt solution by recommending to the guests to change to another room and not wait until the problem was fixed by the IT department. In the second incident, the Front Office Receptionist was approached by a hotel guest who was unable to connect his smartphone to the hotel wireless internet network and the receptionist managed to set up the internet connection for the guest; the receptionist explained that he had previously visited a local mobile phone shop to search for a solution, after encountering the same problem with guests previously, where he learnt to adjust the smartphone language settings to enable the connection.

When investigating why Front Office respondents were more determined to interact with the hotel guests and in doing so generate ideas for innovation, it was verified that the Front Office Manager encouraged employees to follow the SOPs (FFORCI:00:07 and FFOEH:00:10; see Appendix 17) to report guests' ideas and complaints by asking them to

fill in guest cards or report feedback through the Front Office Opera software. Encouraging direct communication between the front office management and employees was established as another driver to encourage employees to report guests' feedback, as described by the Front Office Manager: *'...for me and my department I'm quite open...so basically I support the team to come to me with any new ideas they can have...you know, making the job easier or some new things that might help us...'*

Another interviewee from the hotel Spa and Fitness Centre similarly showed dedication to generating ideas through interacting with guests. The centre Receptionist expressed commitment to interaction with guests and reporting guest ideas to managers as, *'...we have customers who are guests here in the hotel and customers from outside...our customers are diverse in their needs so we make the effort to understand our customers' needs and then verbally communicate customers' feedback to our manager...some of the innovations we had here were actually inspired by guests' ideas such as the new gym balls and the zumba sessions...'*

In general, it can be concluded based on the outcome of the research in Mizar Prague Hotel that despite the reluctance of frontline employees to generate ideas through interacting with the hotel guests, there was still evidence that frontline employees at the hotel Front Office interacted with guests and generated ideas for innovation through this interaction. Table 5.2 shows examples of innovations that were developed through such frontline interaction.

Innovation	Description
Shuttle Service	The shuttle service was launched to make it more convenient for the hotel guests to travel from the hotel property to the city centre of Prague and the key landmarks of the city. The service was offered to the guests at a discounted rate (€2.00) per passenger and is available every two hours during day time hours. The idea of launching the shuttle service was inspired by guests' feedback and by observing guests inconveniently taking longer to reach the city centre by taxi or public transport.
Concierge Book	The idea of a concierge book (see Appendix 18) was initiated by concierge employees at the hotel front office. The reason behind developing the concierge book was that concierge employees worked individually to collect information on local events, landmarks, restaurants and so on, and therefore it was inconvenient in the absence of any concierge employees to search for details in hard copy notes while guests waited. The aim behind developing the idea was to collate all information gathered by concierge employees in one Microsoft Excel file so it would be readily accessible when needed.

(Table 5. 2: Innovations Developed through Employee–Guest Interaction, Mizar Prague Hotel)

### 5.3.1.3. Andromeda Hotel London

Orientation towards meeting hotel guests' needs was largely encountered during the collection of data in Andromeda Hotel London. Respondents in both **middle management** and **senior management** job roles pointed out that they regularly encourage frontline employees to interact with the hotel guests and identify guests' needs through this interaction. For example, and in relation to *idea generation*, the Manager of Middle Eastern and Diplomatic Sales summed up interaction with the hotel guests as, *'...I think hotels are very much like that, you learn from your guests...I mean it's not as if you do a huge amount of research, yes you may read about whatever is written about a celebrity or about what's happening in politics but you have to also go with your gut [feeling], with what you see and then you have to kind of think outside the box...like you have to pick up the little details...'* The hotel spa Head Therapist also remarked on the role of the therapists who interact directly with guests and generate ideas to improve service procedures as, *'...every single problem that comes up they deal with it...because they have their hands on, doing the actual treatment...and they know exactly, because they are living it, they know that OK this is going to be a great idea because it's going to make a difference to our lives, make our work more enjoyable and easier...because ideas that come from above sometimes sound really good on paper or in a meeting when they are presenting it, but therapists they are like well that's not going to work for this reason. Researcher: 'Like in practical terms.'* Head Therapist: *'Yeah, they know how things can actually work in operation as opposed to sounding great but you can't actually do them in operation...'*

It was also comprehended that along with the systems of practice SOPs (FFORCI:00:07 and FFOEH:00:10, see Appendix 17) that implied standards on interaction with the hotel guests, the line **managers** also pushed for further interaction. For instance, when asked about how the guest relations division would know about guests' special visits, the Guest Relations Manager explained that, *'...the reservations team is trained to find out...they ask the guest: Are you here for business or pleasure?...and then the guest will say: We are here for our anniversary...Ah fantastic, may I ask you how long is it? 10 years? 20 years?...and then automatically they just put it on b12 (guest special category)...'* The Front Office Manager also verified that pushing for interaction with guests and generating ideas is a way of retaining **junior employees'** enthusiasm and commitment: *'...of course the main guidelines come from managers but we keep it open for junior staff to come up*

*with new ideas...also to keep the staff motivated to keep them involved in the operation...of course ideas need to be applicable to reality and to the job and to day-to-day basis...’.*

When observing the hotel’s Front Office and Food and Beverage service areas, the **junior employees** seemed to be highly committed to interacting with the hotel guests as per the related management SOPs. In the Lobby Lounge it was observed that guests were approached by waiters to ask them if they were happy with the service, and waiters called the Engineering Department after a group of guests requested an adjustment to the air conditioning temperature. In the hotel’s Front Office, the employees explained that despite the extremely busy work environment and other work commitments such as cross-selling, they still generate ideas through interacting with the hotel guests, although as described by the respondents some guests’ ideas and requirements may seem unusual; such as when an athletic hotel guest pre-requested large quantities of meat to be loaded into an additional room refrigerator; or when a noticeably tall hotel guest requested an exceptionally large bed and carried a measurement meter to make sure that the new bed dimensions would appropriately fit his length. However, it was noticed that frontline employees effectively generated ideas for innovation through interacting with the hotel guests; Table 5.3 demonstrates examples of innovations inspired through this interaction.

Innovation	Description
GoConcierge	GoConcierge is Outlook operated software that enables loading concierge information such as information on restaurants, theatres, landmarks and so on (see Appendix 15). The software also enables the uploading of guests’ details and booking records for future use. The Head of Concierge along with the Front Office management realised that by installing the GoConcierge software on concierge desk computers it would save time and effort and work effectively to book returning guests into their favoured places.
Name Memorising Techniques	Name memorising is a series of techniques to help the Front Office employees remember guests’ names to address them by name when they approach the Front Office reception (see Appendix 19). The hotel guests expressed dissatisfaction with their names pronounced wrongly by the Front Office receptionists and through Market Metrix, and so the Talent and Development Manager arranged training sessions on techniques to help remember guests’ names.
Door Magnet	The idea of the door magnet was developed after one of the door porters realised that it would be difficult to escort the hotel guests to their rooms and at the same time carry the luggage trolley without having help in opening the doors through the hotel corridors. The porter thought of installing magnets to hold the doors back to make it easier for porters to carry guests’ luggage to their rooms.

(Table 5. 3: Innovations Developed through Employee–Guest Interaction, Andromeda Hotel London)

Due to the fact that the opening of Andromeda Hotel London was relatively recent, in 2011, it was additionally recognised that generating ideas through interaction with the hotel's prospective guests was highly regarded at the most senior management level, including the company founder and Chief Executive Officer. As part of the pre-opening arrangements the hotel management organised the invitation of local business executives and other stakeholders to a series of events in the name of *Pop up Restaurant*. The restaurant was practically set up in the hotel property while renovation work took place, and the hotel management invited stakeholders for a meal in the restaurant and showed them around the hotel property to directly receive their views on the design and services planned after opening (see Appendix 20).

### 5.3.2. Mandatory Idea Generation

Mandatory methods to stimulate *idea generation* were implemented in the researched cases; these methods were designed to encourage employees to generate ideas to improve service procedures or to improve work conditions. The management of the three researched hotel properties accredited generating ideas and consistently applied mandatory methods to encourage *idea generation*.

*Mandatory idea generation* behaviour would be therefore determined to only occur in response to management mandated methods to stimulate *idea generation*. Evidence that emerged from the researched cases confirmed that employees positively responded to these mandatory methods. However, the responses by the employees varied depending on contextual considerations. The following subsections present data related to both mandatory methods and employees' reactive *idea generation* behaviour.

#### 5.3.2.1. Andromeda Hotel Lisbon

The outcome of the research in the case of Andromeda Hotel Lisbon reveals that the hotel management applied multiple methods to enable employees to generate ideas for innovation. In response, the employees' enthusiasm and willingness to generate ideas through these management designed methods varied depending on individual and contextual factors. In 2008, the hotel management launched the *Bright Ideas* initiative with the aim of encouraging employees to generate ideas to improve service procedures, but



this proved to be ineffective—employees' ideas were written on a suggestion card and dropped in a box located in the staff canteen. A few months after launching *Bright Ideas* the box was removed from the staff canteen and the initiative was terminated after failing to achieve its optimised objectives, as some employees used the box to complain about colleagues or managers, or even filled in the suggestion cards with sarcastic comments. The Human Resources Director explained further the reasons for terminating the *Bright Ideas* initiative: '*at the time when the Bright Ideas project started the relationship between the previous management and employees was not so good....and employees were not motivated enough to give ideas...some others were a little bit afraid to express their ideas....that's why it didn't work...because people were not seeing the benefit of giving their ideas*'. In fact, the employees' response to the *Bright Ideas* project was reportedly limited and amongst the research respondents only two employees claimed to have generated and reported ideas through the *Idea Box* and when asked why they stopped generating ideas through this initiative they both claimed that they felt that their ideas were not carefully considered by the management.

*Brainstorming* was reported as another more effective means to generate ideas. *Brainstorming* is mainly held during monthly meetings where those who attend focus on emergent issues such as cost control, occupancy rates, guests complaints and so on, then attempt to generate ideas to address these emergent issues. These *brainstorming sessions* are mainly held during departmental monthly meetings and the monthly meetings of Heads of Departments. In monthly department meetings *brainstorming* is usually focused on department-related issues, such as these outlined by the Front Office Manager: '*we have monthly departmental meetings and we focus on points that I focus on every meeting....we speak about quality, the up-selling....issues that are related to our department*', or other issues highlighted by the Food and Beverage Director: '*monthly meetings always focus on main issues...so in monthly meetings we discuss cost control, rosters vs. results...and runners to provide a better quality service with less costs*'.

*Brainstorming sessions* were also organised during staff training held by the outsourced training partner Valiant Hotelier when employees were asked to generate ideas on how to improve service performance or work conditions. **junior employee** respondents expressed their contentment with Valiant Hotelier's *brainstorming session* as they felt that their ideas were acted upon, such as the Front Office Receptionist: '*they asked us to write on a paper something that we need to improve....and we wrote about the internet because*

*it was charged for and we were asking to offer it free of charge....the lifts that we needed to change....and decorating the garage...I realised after 1-2 months the internet was free of charge...and after some months they started to change the lift system...and last month we decorated the garage...so I think with this the management takes note of our ideas'.*

Department **senior managers** allegedly played a key role in encouraging **middle managers** and **junior employees** to generate ideas during *brainstorming* sessions except that not all **senior managers** were equally committed to encouraging idea generation. For instance, both the Front Office Manager and Food and Beverage Director were consistently regarded by **middle managers** and **junior employees** in their departments as being committed to organising *Brainstorming* sessions during monthly meetings where they encouraged employees to generate ideas. The **junior employees'** idea contribution in *Brainstorming* sessions was less evident compared to the **middle managers**; the main reasons for this were that some employees were reluctant to share their ideas in public, and also that some others were not convinced that their ideas would be considered and acted upon.

The hotel management also opted to generate ideas through *Quality Champions*; a *Quality Champion* is appointed in each department to monitor guests' satisfaction, quality reports and represent the department in quality meetings. The Training and Quality Manager defined the *Quality Champion's* role in relation to *idea generation* as to report quality issues and generate ideas on how to address these issues during quality meetings: *'in quality meetings we present quality results and which areas we need to improve and which actions we are going to move forward...and when we are discussing this obviously we have a lot of ideas coming and brainstorming ideas that could improve quality results'*. Table 5.4 provides examples of *Mandatory Idea Generation* methods and employees' reactive behaviour.

Idea Generation Method	Idea	Initiator/Observer Explanation
Idea Box	Name for Staff Canteen	Porter Supervisor: <i>'I put once an idea in the Idea Box....my idea was to have a name for the staff canteen like the other restaurants in the hotel...just to make a name for the staff canteen...you know, the staff come to the canteen everyday so I just thought of adding some excitement to the canteen when you have name with colours and logo.'</i> Researcher: <i>'And then what happened?'</i> Porter Supervisor: <i>'They didn't do anything about it...probably the idea wasn't good enough (laughing).'</i>
Departmental Meetings Brainstorming	Front Office Telephone	Front Office Receptionist: <i>'Every time any guest approaches the reception and wants to call his family or friend in the room...and we were all busy and having a queue and he just wants to make a phone call then he will be waiting for 5-10 minutes, which is not good...so my idea was to put an internal telephone in the front office balcony and put instructions beside it on how to call the room...so the guest wouldn't have to wait.'</i> Researcher: <i>'And what happened to this idea?'</i> Front Office Receptionist: <i>'We still don't have this telephone for guests.'</i>
Quality Champions Meetings	Daily News	Training and Quality Manager: <i>'when reviewing guests' feedback we realised that there was a problem regarding lack of communication between departments...so we were thinking in the Quality Champions Meeting about how can we communicate at all times and become aware of what's happening in the hotel...so we decided to have a small paper, a small communication medium produced daily for employees just saying what is our occupancy for the day, who is the employee of the month, the guest of the day or VIPs, which groups that...we have in house or how many people and if there was a special event like a celebration or wedding'</i> (see Appendix 21).

(Table 5. 4: Examples of Mandatory Idea Generation; Andromeda Hotel Lisbon)

### 5.3.2.2. Mizar Prague Hotel

Multiple methods to facilitate idea generation were implemented by Mizar Prague Hotel management and which were received changeably by the hotel employees. Some **senior managers** regarded *idea generation* more highly than other managers, and this has influenced **junior employees'** responses to mandatory methods to generate ideas. The Front Office Manager claimed that, *'...I'm actually quite lucky because my team members usually tell me about their ideas when I ask them....I know that some other team members don't say anything to their managers...'*; and when interviewing Front Office **junior employees** to verify this claim, it was evident that the Front Office Manager promoted a departmental culture that encouraged *idea generation* among employees. In some other departments the research outcome revealed less support in encouraging employees' *idea generation* conduct.

Among the mandatory methods to generate ideas was the *Idea Box* that was previously located in the staff canteen. The *Idea Box* initiative was planned to collect employees' ideas to improve service procedures or any issues related to the work environment. However, the initiative failed to realise its purpose and was terminated due to the limited response by employees. Among the reasons given for the failure of the *Idea Box* initiative was the previous hotel management's authoritarian attitude; a Level 2 respondent provided an explanation for the employees' reluctance to generate ideas: *'the previous General Manager had his own style of doing things...that could be sometimes directive...so I think at that time employees didn't see that it was possible for their ideas to become real...and that's why the Idea Box didn't work'*.

Another method to generate ideas in the case of Mizar Prague Hotel was *brainstorming*, which was mainly held during meetings held on a monthly basis at both the departmental and Heads of Departments HODs levels. At the department level, *brainstorming* was organised by **senior managers** to encourage **middle managers** and **junior employees** to generate ideas to improve service performance. According to the Front Office Manager, *'we have the monthly meetings...so for discussion I ask the team what they think...and then basically we just end up discussing, brainstorming and the ideas just come up'*. It is also important to mention that in some other departments **junior employees** preferred to report their ideas verbally to their direct managers as they were hesitant to voice their ideas publicly in meetings. For other **junior employees** of different nationalities, there was less commitment to attend department meetings; according to a Level 3 interviewee, *'I only attended the monthly meeting once because of the language barrier'*. The IT Manager also confirmed that due to the limited number of employees in the IT department—numbering two full time and one part time contracted employee—no monthly meetings were held in the department. In some other departments, such as the Sales and Marketing Department, a monthly departmental meeting was held jointly with clustered counter departments in Andromeda Hotel Prague.

*Brainstorming sessions* were also held by Valiant Hotelier, the employee training partner. Employees were asked to fill in their ideas on a suggestions form to improve service procedures or improve working conditions. The Human Resources Director praised both the experience of the training partner in encouraging employees to come up with new ideas, and the convenience of *brainstorming* in a less directive environment: *'In March 2012 we had the Managing Director of Valiant Hotelier here, who was the CEO of*

*Andromeda Hotels....so we had this brainstorming and I must say that the Director managed the whole session amazingly...I believe that it worked because he was able to get everybody involved and the employees felt more comfortable to voice their ideas without direct influence by managers’.* Examples of implemented mandatory methods and idea generation behaviour are outlined in Table 5.5.

Idea Generation Method	Idea	Initiator/Observer Explanation
Departmental Meetings’ Brainstorming	Internal Newsletter	Marketing Coordinator: <i>‘I suggested during our department meeting having like an internal newsletter for the hotel employees...the newsletter on a PDF document to be sent by email or to be placed on a billboard in the staff canteen....we noticed that employees sometimes wouldn’t know about the promotions or the events that take place....so I thought that this newsletter may help improve communication.’</i> Researcher: <i>‘So you have the newsletter now?’</i> Marketing Coordinator: <i>‘My suggestion is still being reviewed.’</i>
Departmental Meetings’ Brainstorming	Spare Restaurant Ware	Food and Beverage Supervisor: <i>‘I asked the Food and Beverage Director if we could purchase more cups and soup bowls....we have just about the right quantity now but we use them every day for morning cereal, fresh juice and we use them again for lunch and dinner....so the kitchen staff would be under pressure to wash them after meals and if we were unable to clean them for any reason we will fall short.’</i>
Valiant Hotelier Training Brainstorming	Replacing Rooms Mini-Bars with Vending Machines	Health and Safety Manager: <i>‘in the Valiant Hotelier training everyone is asked to come up with a new idea for improvement....so one of the Housekeepers suggested replacing the mini-bars that we have in the bedrooms with vending machines that would be located in the corridor on each floor...the Housekeeper discussed that the checking and replenishment of the mini-bars was taking additional time....because [we] have the shops and shopping mall near our hotel the guests weren’t using the mini-bars...so we could replace them with vending machines.’</i> Researcher: <i>‘Was this approved?’</i> Health and Safety Manager: <i>‘No it was not approved, because we have to go by four star hotel standards.’</i>

(Table 5. 5: Examples of Mandatory Idea Generation; Mizar Prague Hotel)

### 5.3.3.3. Andromeda Hotel London

*Idea Generation* appeared to be highly regarded by **senior managers** in the case of Andromeda Hotel London, where multiple methods to encourage employees to come up with new ideas have been applied. **Senior managers** of the hotel expressed their aspirations to move on from just implementing the SOPs to being more innovative to exceed guests’ expectations. According to the hotel General Manager, *‘...the process*

*we've been going through with the team at the moment, we have a standard of operation....how long should it take to do something, what is the procedure...they follow the procedure most of the time, the mentality is quite procedure led...but in a way procedures, compared to our competitors, that is the minimum standard....now if I say I've done everything that is the minimum...that's OK, but the minimum is not going to excite people to go above and beyond'. The Conference and Events Manager also highlighted the need for Idea Generation: 'obviously we've got a job to do and we've reached this level but now how we move from just doing the jobs to actually 'wowing' the customer a little bit more.....so therefore for the regular customer what are you going to do differently to exceed expectations and each department has to think about that; guest relations, us from an event perspective and every department is trying to come up with ideas'.*

At the time of the research, the hotel Executive Committee launched the *Good to Great* initiative with the aim of improving performance after the review of the IQ Report results.<sup>1</sup> Based on the IQ Report, each department should make a presentation of suggestions on how to achieve better results to the hotel Executive Committee. The Middle Eastern and Diplomatic Sales Manager justified the reason behind the launch of the *Good to Great* initiative: *'what they were telling us if the guests at the end of their stay fill in the guest card and we have done everything as they expected...they had a certain expectation when they came into the hotel but we've ticked every box...they got everything they expected, that means that we only get what 70–75% on that but we want to be at 90%....so we need to do something to exceed that expectation so that means we need to be that one step ahead of the customer'.*

Among the mandatory methods to generate ideas was the *Idea Box* (see Appendix 22) to collect employees' feedback. The *Idea Box* is used during campaigns to collect employees' ideas on a specific issue more than to collect random ideas, as explained by the Human Resources Manager: *'sometimes people put things in the box randomly....but often we ask employees to give us ideas regarding a certain matter...like we ask them this week we would like to know what you think about this procedure...and then there is a lot that goes in'.* The *Idea Box* is also used during the *Full Team* meeting that is held quarterly over three sessions and is to be attended by all hotel employees, *'that's when everybody gathers in one place...the General Manager and the executive team talk to us about new*

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<sup>1</sup> IQ Report: a report on practice defined performance indicators. The IQ Report provides the hotel management with multiple-sourced feedback of guest's experience integrated in an electronic report format.

*things coming up...and for that meeting we ask employees to come with suggestions....so we have a suggestions box'* (Human Resources Talent and Development Officer).

*Brainstorming* was also highlighted as another mandatory method for *idea generation*. During monthly departmental meetings employees were asked to give ideas to improve service or work procedures. However, for departments with larger numbers of employees, the meeting attendants would be divided up into smaller groups. The Executive Housekeeper explained this further: *'because our department is so big we often have our departmental meetings in smaller groups which also gives the opportunity for everybody to talk and bring up their opinion...and I would say where ideas that worked out in helping to make life a little bit easier when you're working, satisfying your guest, getting in there quicker, have been during those meetings'*.

Another detected mandatory *Idea Generation* method was the *Consultative Committee*. The committee is made up of representatives delegated from each department where the responsibility falls on each representative to bring together ideas from colleagues and eventually present these ideas in the committee meeting, usually in the presence of the hotel General Manager and the Human Resources Director. The Conference and Events Manager additionally outlined the role of the committee member: *'so we as a team, sales and marketing team, would have a chat and we have a representative and they will say I'm going to the meeting next week has anybody got anything they want to feedback'*. The membership of the *Consultative Committee* is voluntary and open to all employees, only there are some other considerations as clarified by the Executive Housekeeper: *'we ask who is interested in doing that, because there is no use sending someone who actually does not enjoy doing it....we also tend to look at someone that we make sure they can express themselves...because we have a lot of different nationalities and there is no use having someone who is so shy that they can't speak in front of a bigger audience'*. Table 5.6 highlights examples of employees' *Mandatory Idea Generation* behaviour and mandatory *Idea Generation* methods applied by Andromeda Hotel London management.

<b>Idea Generation Method</b>	<b>Idea</b>	<b>Initiator/Observer Explanation</b>
Good to Great Initiative	Food and Beverage Suppliers Showcase	Executive Chef: <i>'so what I decided to present in the meeting....because we focus on our suppliers....we should have kind of a market source and we showcase you know our suppliers....so we started off at the end of the year with asparagus, moving to strawberries, tomatoes....so I plan to design the new menu and showcase more of our suppliers, you know show the customers where things come from'</i> (see Appendix 23).
Departmental Meeting Brainstorming	Early Room Linen Shift	Executive Housekeeper: <i>'a practical example is with the porters...they were arriving at 8 o'clock and the room attendants were also arriving at 8 o'clock, but our linen is done outside so by the time they brought the linen up room attendants already become short of some linen because our pantries are quite small....and it was during one of these meetings when they said well can we try coming earlier and we will all come at 07:30 so that gives us half an hour to load up our pantries by the time the room attendants come we are sorted and we can focus on guest requests...so I said OK let's give it a try, if it works smoothly or if we see any problems we'll adjust and the rota will go accordingly...we did it...it worked well and now it has become one of our procedures.'</i>
Departmental Meeting Brainstorming	Exit Interview Online Form	HR Talent Officer: <i>'we used to send by email the form for leaving employees to fill in and we were supposed to gather these forms and analyse the data in the forms for the General Manager who normally wants to see the exit form....but some people don't print the form out or don't bother returning it...so we I came up with the idea of developing an online form that includes all questions and at the same time can do the analysis for us and save us a lot of time'</i> (see Appendix 24).
Consultative Committee Brainstorming	Staff Fixed Room Booking Rate	Conference and Events Manager: <i>'our staff bedroom booking rate was not the best compared to some of our competitors, 'How about on a Sunday when it's really quiet can we just have a fixed rate?'...which was brought to the staff Consultative Committee and both the General Manager and the HR Director were attending the meeting...because you got it directly to your HR director and to your General Manager ....straightaway they decided we will do that, we liked the idea and it was an easy win.'</i>

(Table 5. 6: Examples of Mandatory Idea Generation; Andromeda Hotel London)



## 5.4. Quasi-Mandatory Conduct

### 5.4.1. Idea Moderation

In compliment to the employees' *frontline interaction behaviour pattern* discussed in the previous section, the managers tended to moderate ideas' generation from *frontline interaction*. The *idea moderation behaviour pattern* among **middle** and **senior managers** emerged during the interviews to play an accompaniment role to other patterns of *innovative behaviour* in developing, or even obstructing, ideas' development into innovations.

*Idea moderation behaviour* involved approving idea application, helping to develop the idea or contrastingly dismissing an idea before progression. It also emerged during the interviews that the *idea moderation behaviour pattern* was directly related to the remit of authority mandated by the individual's job role. Meaning that a certain level of authority is prerequisite to allow or prevent an idea from progressing further, and therefore it would be essential to highlight that this behaviour pattern is mostly conducted by those employees of **middle** and **senior management** positions. The following subsections present the findings related to *idea moderation behaviour* in the three researched case studies.

#### 5.4.1.1. Andromeda Hotel Lisbon

*Idea moderation behaviour* was repeatedly detected in the case of Andromeda Hotel Lisbon. Frontline employees most frequently tended to approach their direct managers with new ideas, and this is when *idea moderation behaviour* takes place. The outcome of the research revealed that after frontline employees report to their direct managers any ideas that they have identified through frontline interaction, **middle** and **senior managers** may then either react negatively by dismissing the idea or positively respond by adopting the idea and consider it for further assessment, and accordingly help progress the idea into application. According to the Front Office Manager, '*...if my employees have ideas they can come to me and then we try to understand if the idea can go forward or not. If I see the idea to be good I go and speak with the General Manager to understand if we can implement the idea*'. Researcher: '*So let's say a receptionist has a good idea, do they go directly to the General Manager?*' Front Office Manager: '*No, to me...they speak first with me and then I speak with the General Manager*'. *Idea moderation behaviour* varied

depending on the significance of ideas and potential investment involved or individual objectives; idea moderation in one form, for example, implicated rejecting the idea by **middle** or **senior managers** (see Table 5.7). A Level 3 employee interpreted the reasons behind this behaviour as, *'managers have the power of deciding whether an idea is good or bad from their point of view...because sometimes managers they look for profit and they might not look for ideas that are still good but don't generate enough profit'*. Adapting the idea before application was another form of *idea moderation*. The Front Office Manager explained this pattern as, *'what I always tell my team...don't think that I cannot consider your idea...because sometimes this idea can be blue and then I can put a little bit of yellow and then you can put a little bit of green and then we have an idea'*. The Sales Executive also added to this: *'my manager doesn't kill the idea at the very start...ok we pick up the idea and we start discussing the idea to see what are the weaknesses of the idea and how we can improve it'*. In another form, *idea moderation* implicated approving idea application without further amendments, such as the additional room turn down service idea suggested by the Housekeeping Supervisor (see Table 5.7).

Innovation	Hotel Brand Luggage Sticker	Change Room Turn Down Service Time	Lost Items Procedure
<b>Initiator/Observer Description</b>	Porter Supervisor: <i>'I suggested that we could have like a sticker on guests' luggage that shows that you stayed in our hotel and promote the hotel brand.'</i>	Housekeeping Executive: <i>'we proposed in the Housekeeping Department that we should change the time for room turn down service during the peak months for leisure visitors to the afternoon or evening time....most of the time we couldn't do the turn down service on time because leisure guests wake up late in the morning or kids are messing the room so we have to come back and clean the room.'</i>	Front Office Manager: <i>'we encountered a situation where a guest left some items and then came back to collect them and one employee said to me that we don't have a standard procedure for lost items....so we developed a procedure for lost items to allocate the responsibility for the lost item to a Front Office team member and ask guests to sign for collecting their lost items.'</i>
<b>Behaviour Form</b>	Form 1	Form 2	Form 3
Idea Rejection	Idea reported but ignored by managers.		
Idea Approval without Amendment	Idea approved by the Housekeeping Manager.		
Idea Approval after Amendment	Front Office Manager helped develop the procedure.		

(Table 5. 7: Three Forms of Idea Moderation Behaviour; Andromeda Hotel Lisbon)

It must be highlighted that on some occasions the duty and effort to develop an idea transcends to **middle** or **senior managers** soon after **junior** frontline employees have originally reported it, and this may limit the involvement of frontline employees in developing an idea at later stages into innovation. In two scenarios, both the Guest Relations 1 Agent and Front Office Receptionist 2 expressed their limited involvement in idea development after reporting their ideas; the Guest Relations Agent 1 described her limited role in developing an idea after reporting it: *'in that case we don't need to improve the idea, just to implement it when it becomes approved...when we have some ideas we present it to our manager and then she needs to improve it, to make it better'*. The Front Office Receptionist 2 also described a scenario of reporting the idea through having a special template for emailing VIP guests although the Front Office Receptionist 2 did not have much participation in developing the VIP Welcoming Email Template idea: *'I reported the idea and then it was soon applied...I'm not sure what happened after I reported the idea'*. By contrast, it was recognised in one case that involvement of a **junior** frontline employee continued after reporting the initial idea; the Guest Relations Agent 2 retained the ownership and commitment to develop the idea of a Cultural Agenda along with managers after initially reporting the idea (see Micro Case 3).

#### 5.4.1.2. Mizar Prague Hotel

Evidence emerging from the case of Mizar Prague Hotel pointed towards additional substantiation of **middle** and **senior managers'** participation in idea development through *idea moderation behaviour*. Expressions of 'managers as idea filters' and 'managers have the power to apply ideas' were repeatedly mentioned during interviews and emerged as dominant determinants of respondents' views on *idea moderation behaviour* (see Table 5.8). Cost restrictions and corporate SOPs were pointed out as determinants of *idea moderation behaviour* by the Hotel General Manager: *'I think managers need to think about cost restrictions to decide about any idea...what is the reasonable spend they are entitled to...another important aspect is the company systems of practice...is the idea compatible with our standards?'*

Front Office Receptionist	<i>'I think managers always intervene when problems arise...and in compare with junior employees managers have more power to implement or change ideas...of course everyone can have ideas but managers more importantly can make ideas work.'</i>
Assistant Finance Director	<i>'Managers still filter ideas and know more which ideas are applicable.'</i>
Finance Director	<i>'I would say managers have more power to control idea progress...and managers can effectively work as filters of ideas.'</i>
Food and Beverage Supervisor	<i>'Managers are able to moderate ideas because they have more power.'</i>

(Table 5. 8: Respondents' Views on Idea Moderation Behaviour; Mizar Prague Hotel)

*Idea moderation behaviour* evidently occurred after frontline employees report an idea to **middle** or **senior managers**. *Idea moderation behaviour* reportedly involved the control and influence of idea progression by either dismissing an idea at its earliest stage of development, in one form, or adopting the idea and providing support for idea development in another; adopting an idea was detected to involve approving the idea application without further amendment or by considering the idea and adding to the original idea before application (see Table 5.9). In addition, it is necessary to underline that approving ideas that were initiated by **junior employees** who worked in the service frontline without further amendment was least evident in the case of Mizar Prague Hotel. The reason given for this was that local management culture often impinged **junior employees'** participation in idea development and reflected an authoritarian type of management in some managers' practice, as explained by a Level 2 respondent: *'here in the Czech Republic management and authority are practised in a classic way...therefore junior employees have less influence here and have limited ability to change things'*. Resistance to change was unmistakably mentioned by the Human Resources Director as a factor that discouraged some managers from accepting new ideas. From another perspective the Hotel General Manager substantiated the effectiveness of **middle managers** in *idea moderation*: *'I appreciate the role of line managers...I believe that line managers have ideas more than anybody else in a hotel...the reason is that they make the link between the operational front of the hotel service and the upper management...and therefore line manager have a better view to decide'*.

Innovation	Spare Restaurant Ware	Excel Accounting Template	Prague City Map	Kitchen Refurbishment
Initiator/ Observer Description	Food and Beverage Supervisor: 'I asked the Food and Beverage Director if we could purchase more cups and soup bowls....we have just about the right quantity now but we use them every day for morning cereal, fresh juice and we use them again for lunch and dinner....so the kitchen staff would be under pressure to wash them after meals and if we were unable to clean them for any reason we will fall short.'	Assistance Director of Finance: 'when I started here we used to fill in a hard copy form for financial reporting...this took additional time and effort and was generally outdated ....so I suggested replacing the hard copy report with electronic template on Excel, which we have now for financial reporting' (see Appendix 25).	Assistant Front Office Manager: 'we received many complaints from front office employees about dealing with guests' enquiries about how to use the Metro to travel around Prague landmarks...some of our employees come from abroad or from other cities and when they are asked how to use the Metro it takes them some time to find out by searching the Internet...and that is problem when the hotel reception is busy...so I thought of having a map that shows the Metro stations and landmarks around Prague to be ready for the guests' (see Appendix 14).	Head Chef: 'we recently had refurbishment work in main restaurants and connected kitchens... .we have connected kitchens to the service areas and installed new machinery....we moved the pastry section up to the first floor kitchen ...our aim was to improve the hygiene standards and improve the way we manage the kitchen.'
Behaviour Form	Form 1	Form 2	Form 2	
Idea Rejection	Idea reported to Heads of Departments HODs but was ignored.			
Idea Approval without Amendment		Idea approved by the Director of Finance.	Idea approved by the Front Office Manager.	
Idea Approval after Amendment				The hotel General Manager, Chief Engineer, Food and Beverage Director and Purchasing Manager added to the design and outsourcing machinery before approving final design.

(Table 5. 9: Three Forms of Idea Moderation Behaviour; Mizar Prague Hotel)

### 5.4.1.3. Andromeda Hotel London

The outcome of the data analysis in the case of Andromeda Hotel London reflected that **middle** and **senior managers** received tolerantly continuous change and innovation implied by the recent opening of the hotel property in April 2011. Many interviewed respondents explained that due to the fact that the hotel property had only recently been opened, managers tended to be ready to consider initiatives aiming to set up or improve service procedures and performance; **middle** and **senior managers** responses confirmed this, such as the Head of Concierge who suggested, *'I remember when the hotel opened, because everyone have come from a different property, to this amazing hotel...and everyone had their way of doing things...and to integrate that into a brand new building where you can find some challenges because obviously it is not what they were used to...and people also challenging each other, kind of arguing this is not the correct way of doing things, I used to do it that way...so it was an interesting stage to kind of see how it all fit and gel together...but it works well now, you know, and I have encouraged the guys to kind of speak up if there is a new way of doing things, a new idea or something that they have seen somewhere else'*. The Front Office Lead Receptionist additionally claimed that, *'ideas are welcome to come up from any team member at any level...and then of course we would discuss ideas between ourselves before we process the idea'*. However, managers' judgement of the applicability of ideas reported by frontline employees still critically determines idea progression (see Table 5.10). Managers' experience also emerged as another determinant of *idea moderation behaviour*, according to the Guest Relations Manager: *'managers have the experience....you cannot compare somebody who has 10 years, 20 years' experience and lived in 7-8 different countries and worked in best hotels in the world and tried openings...to compare them to somebody who's 21 years and just came from the hotel school'*.

Front Office Manager	<i>'always from my side as a manager there is no restriction of ideas I always try to look at it and see if things can be implemented...of course if it was not applicable for some reason I get back to the team member and explain why it is not applicable.'</i>
Human Resources Talent and Development Officer	<i>'I think managers are supportive and they try to help where they can...sometimes it's a question of maybe employees don't want to open up and they prefer to talk to HR....but I think that managers are quite supportive where possible.'</i>
Banqueting Operations Manager	<i>'if ideas are a bit too radical or you just don't see it working then yes, I would certainly turn it down...but on the other hand we will listen to what they have to say and if we feel that something is worth giving a go then we will do it.'</i>
Head Therapist	<i>'I would see managers' job as to make ideas happen and to put things in place...so that would be their job I guess, if a good idea just come up.'</i>

(Table 5. 10: Respondents' Views on Idea Moderation Behaviour; Andromeda Hotel London)

After reporting an idea by frontline employees, **middle** and **senior managers** were reported to respond in three forms of *idea moderation behaviour*: *one*, by considering the idea without amendment, *secondly* by approving the idea after amendment and trial, or rejecting the idea at an early stage of development in the *third* form (see Table 5.11). Idea moderation with amendment was justified by considering initial ideas as the triggers of bigger ideas, while idea rejection was described as directly determined by the managers' own views on ideas by the Human Resources Manager as, *'probably a manager doesn't either understand or doesn't get it...so you get a lot of resistance...sometimes you know how good something could be or how unique or beneficial it could be and people just create obstacles or obstruct it...they don't see it or they don't want to see it or they're frightened by it'*.

Innovation	Porters Summer Uniform	Door Magnet	Earlier Room Linen Shift	Exit Interview Online Form
Initiator/Observer Description	Level 3 employee: 'we have the same wool uniform for winter and summer....and during the summer it can get really warm and uncomfortable...so we asked on a number of occasions to have like a lighter uniform.'	Concierge: 'the idea of the door magnet was developed after one of the door porters realised that it would be difficult to escort the hotel guests to their rooms and at the same time carry the luggage trolley without having help opening the doors through the hotel corridors. The porter thought of installing magnets to hold the doors back to make it easier for porters to carry guests' luggage to their rooms.'	Executive Housekeeper: 'a practical example is with the porters...they were arriving at 8 o'clock and the room attendants were also arriving at 8 o'clock, but our linen is done outside so by the time they brought the linen up room attendants already become short of some linen because our pantries are quite small....and it was during one of these meetings when they said well can we try coming earlier and we will all come at 07:30 so that gives us half an hour to load up our pantries, by the time the room attendants come we are sorted and we can focus on guest requests...so I said OK let's give it a try, if it works smoothly or if we see any problems we'll adjust and the rota will go accordingly...we did it...it worked well and now it has become one of our procedures.'	HR Talent Officer: 'we used to send by email the form for leaving employees to fill in and we were supposed to gather these forms and analyse the data in the forms for the General Manager who normally wants to see the exit form....but some people don't print the form out or don't bother returning it...so we I came up with the idea of developing an online form that includes all questions and at the same time can do the analysis for us and save us a lot of time' (see Appendix 24).

Behaviour Form	Form 1	Form 2	Form 2	Form 3
Idea Rejection	Idea reported but ignored by managers.			
Idea Approval without Amendment	Idea approved by the hotel General Manager.		The Executive Housekeeper approved idea after a trial period.	
Idea Approval after Amendment				The HR Manager reviewed the interview questions before approving the idea.

(Table 5. 11: Three Forms of Idea Moderation Behaviour; Andromeda Hotel London)



### 5.4.2. Proactive Idea Initiation

Respondents' expressions like *improve, change, exceed guest expectations* or *avoid guest dissatisfaction* were synonymously used to denote *proactive idea initiation behaviour*. Employees' proaction was signified as a key determinant of employee effectiveness, yet, also indirectly defined as a prospective job requirement. Based on the outcome of analysing the three researched cases' data, employees' proactive initiation of ideas for innovation was ultimately conducted to improve service procedures and exceed guest expectations, or avoid guest dissatisfaction.

As will be presented in the forthcoming subsections, *proactive idea initiation* reportedly occurred in different forms and implicated innovation initiatives at different levels of required investment and change in service procedures. **Junior employees** as well as **middle** and **senior managers** conducted *proactive idea initiation*, although this behaviour pattern was more evident among **middle** and **senior managers**.

#### 5.4.2.1. Andromeda Hotel Lisbon

*Proactive idea initiation* was repeatedly recognised as fundamental and continuous conduct to enhance service procedures and avoid guests' dissatisfaction. In relation to improvement of service procedures, *proactive idea initiation* was commonly associated with change. For instance and according to the Front Office Supervisor, '*we are changing all the time some procedures that we think that can be done in other ways....we change them...because when you are in the operational part of the hotel...you have to think always what is working...when we are working with 100% of occupation....everything has to be as smooth as possible...because sometimes a person that is working with a procedure everyday he's thinking OK I think it will work better this way....and then we speak about it and we change the procedure in accordance with our company standards*'. And the Housekeeping Supervisor also outlined, '*I have standard procedures and perhaps I have one request by a guest and it's not like a procedure that I have to do...but to give a good service I change certain elements of the service to meet the guest request*'.

*Proactive idea initiation*, from another perspective, was linked with exceeding guests' expectation, such as the example provided by the Food and Beverage Director: '*we serve special oriental dishes in the main restaurant on the ground floor...and we had one of our*

*returning guests from the Far East who liked these dishes....so our Banqueting Manager arranged to have this type of food in the Congress Centre upstairs so this guest wouldn't have to come down for meals...the guest did not expect this arrangement, but to proactively exceed his expectations we provided all the food he liked in the Congress Centre'.*

The outcome of the interviews revealed that *proactive idea initiation* was conducted for additional purposes (see Table 5.12). However, further evidence emerged to signify the recurrence of *proactive idea initiation behaviour* among **middle** and **senior managers** in comparison to **junior employees**. The justification for this by respondents was that managers usually practise a certain level of empowerment that enables them to request reviewing and amending the company SOPs.

Innovation	Purpose	Idea Initiator/Observer Explanation
VIP Guest Arrival Welcome Gesture	Improve Procedure	Front Office Manager: <i>'we aimed to improve our check in procedure because usually our guests come from the airport and they are tired.... what we do is we welcome the guest to sit at the Executive Club desk....and we offer them a welcome drink and an Oshibori towel and then in the end of the check-in we escort guests to their rooms.'</i>
Guest Emergency Assistance	Support Distressed Guests	Front Office Manager: <i>'unfortunately sometimes guests ask for help if they get robbed, sick or maybe they become sick during their stay with us....so I suggested that if we have a similar situation we send one of our Guest Relations agents to help the guest in a police station or the hospital. As the guest may not speak Portuguese our Guest Relations agent would interact better and help the guest throughout his problems.'</i>
Food and Beverage Cost Control	Cost Control	Food and Beverage Director: <i>'we had an issue with quality because the students who worked here in our restaurants didn't speak good English.... you know, like you ask for milk and you get tea....so I suggested to place them as runners to clear the tables and wash the dishes....at the same time we place one steward in the restaurant to communicate with guests so we could maintain quality and save money by minimising the work hours for our casual staff who are paid more than students.'</i>
Cappuccino Machines	Exceed Guests' Expectations	Food and Beverage Director: <i>'we analyse the type of groups that we were going to have for the next week on Wednesdays we analyse all the groups that we are going to have next week and we know that...imagine a group of Italians...we knew that Italians very much like cappuccino in the morning...so cappuccino takes a lot of time to prepare in our machines so we placed three machines in the service area.'</i>

Table 5.12 continued

Returning Guest Tailored Menu	Exceed Guests' Expectation	Food and Beverage Director: <i>'to exceed the expectations of our returning VIP guests we arranged to have everything the guest liked on a previous visit available...one guest liked a certain type of ice-cream and another guest from Angola liked a special kind of beef...so before they arrive I make sure that we have the food they like supplied by the Food and Beverage Department....these may seem as small things but for the guest it would be very important.'</i>
Room Wiring System	Avoid Guest Dissatisfaction	Electrician: <i>'we previously had several issues of rooms that stopped having the telephone line signal because there was some maintenance work done to some cabling....so I thought that to avoid any inconvenience to our guests we could reuse the low segment lines that we previously used for the old mini bar system as spare lines for rooms telephone....because we can't go breaking the ceiling just to fix the line that was damaged to pass new lines.'</i>
Men Grooming	Service Line Extension	Human Resources Director: <i>'we had two ladies coming from an external cosmetics company to train the spa therapists....and I asked them if they could train the therapists on men grooming....so they said OK we can do that but we would have to make a different procedure than that for women....this may not be very popular in our local culture but for the guests it was received very well.'</i>
Hygiene and Safety Report Summary	Improve Procedure	Food and Beverage Assistant Director: <i>'I'm responsible for putting information in the audit system HACCP (Hazard Analysis Critical Control Points), a system that is carried out by external companies and audits hygiene and safety in the kitchen and restaurants....and at the end of the audit they send us a report with non-compliant measures to improve our rating...so instead of circulating the whole report, which is a long document, I summarise the key points within this report and send it to the manager of each department by email....just to simplify things...instead of reading the whole report.'</i>
Guest Arrival Luggage Tag	Improve Procedure	Porter Supervisor: <i>'this idea came from one of our previous receptionists....when the guest arrives in the hotel we used to take his luggage and put like a sticker with his name on it to identify the guest luggage....then we put the luggage in the storage room and then when the guest completes checking in we take the luggage up to the room.....sometimes we had incidents where the guest name was written incorrectly so it will take additional time to identify the luggage....and then the receptionist suggested that it would be much easier to identify the guest luggage by this tag that could be separated in two parts: one is hanged to the luggage when the guest arrives and the other part is given to the guest like a ticket with a serial number to identify the luggage....so that way it would be a lot easier and quicker to identify the guest luggage instead of guessing or asking the guest to identify his own luggage.'</i>

(Table 5. 12: Examples of Proactive Idea Initiation; Andromeda Hotel Lisbon)

### 5.4.2.2. Mizar Prague Hotel

Evidence emerging from respondents' answers in the case of Mizar Prague Hotel reflected variant comprehension of *proactive idea initiation*. At the **junior employees** level *proactive idea initiation behaviour* was mainly conducted to improve service procedures, whilst at the **middle** and **senior management** levels proactive idea initiation can be most frequently associated with service line extension (see Table 5.13).

Innovation	Purpose	Initiator/Observer Explanation
Parking Spaces	Generate Revenue	Front Office Manager: <i>'we had a small area near the hotel entrance of the hotel that was not used, so I thought of converting this area into parking spaces...I enquired about the planning permission from the local council to check if this was possible before informing the General Manager about the idea...and when the council said it was possible to get the permission I estimated a monthly turnover of 35,000 Czech Koruna from about seven parking spaces...now the car park spaces generate more than this...for cars we charge 40 CZK for the hourly rate and 520 CZK for the whole day parking.'</i>
Hot Water Charge	Avoid Employees' Dissatisfaction	Food and Beverage Waitress: <i>'some of our guests who come from the Far East ask for hot water so they can prepare traditional tea in their rooms....we have no problem taking hot water up for a guest or two but if we have many requests for hot water this may be a problem....and it is hard to expect how many guests would like to have hot water at a time.....so I suggested to the Food and Beverage Director that we should offer hot water for free only if the guest comes down to the cafe area and charge for hot water delivered to the room so we can control the amount of guests' requests.'</i>
Terrace Lighting	Service Improvement	Font Office Trainee Receptionist: <i>'I suggested to my manager that since we don't allow smoking inside the hotel premises and our smoking guests sit outside in the cafe terrace, we should have more lighting in the terrace....I felt that it is a little dark in the evening and night hours....so if we ask our smoking guests to sit outside we should make the terrace area more bright for them.'</i>
Terrace Cafe	Service Line Extension	Health and Safety Manager: <i>'probably you have already noticed that we have meeting halls in the hotel...not all of them are hired most of the time so I suggested to the hotel General Manager that...because we are located in the middle of a business centre so if we convert one of the meeting rooms with the terrace into a franchised cafe, like Starbucks, to attract customers working in the offices around us.'</i>
Private Sauna	Service Line Extension	Marketing Coordinator: <i>'I suggested offering private sauna sessions in our fitness club for families with children and closed groups....so we offer booking private time slots in the steam room and sauna and we serve a bottle of water and fresh fruits'</i> (see Micro Case 5).
Excel Template	Improve Procedure	Assistant Director of Finance: <i>'when I started here we used to fill in a hard copy form for financial reporting...this took additional time and effort and was generally outdated....so I suggested replacing the hard copy report with electronic template on Excel, which we have now for financial reporting.'</i>

Table 5.13 continued

Lunch Buffet	Service Line Extension	Head Chef: <i>'our hotel is located within a business centre....I suggested having a lunch buffet in the meeting halls that were not selling very well....to create a relationship with all managers and professionals who work in this area...but my idea was challenged because they think that having a cheap buffet concept in a four star hotel may not be suitable.'</i>
Spare Restaurant Ware	Avoid Employee Dissatisfaction	Food and Beverage Supervisor: <i>'I asked the Food and Beverage Director if we could purchase more cups and soup bowls....we have just about the enough quantity now but we use them every day for morning cereal, fresh juice and we use them again for lunch and dinner....so the kitchen staff would be under pressure to wash them after meals and if we were unable to clean them for any reason we will fall short.'</i>
Executive Lounge Additions	Service Improvement	Manager of Duty: <i>'I have requested adding snacks' variety in the Executive Lounge so the guest wouldn't have to go outside the lounge....and I also requested improving the variety of newspapers here in the Executive Lounge.'</i>

(Table 5. 13: Examples of Proactive Idea Initiation; Mizar Prague Hotel)

From the **junior employees'** perspective and as comprehended from the recently appointed Human Resources Director's interview, there was a tendency towards further involvement of **junior employees** by the hotel management. According to the Human Resources Director, *'we encourage our junior employees to become part of improving the service....we know that we have to overcome some barriers before we can make this happen but the new General Manager and myself consider promoting a culture of involving employees as a top interest....practically we aim to collect employees' feedback on a daily basis'*. The hotel General Manager also ascribed encouraging employees' proaction to the growing corporate culture of considering local peculiarities; this may allow the hotel management to review corporate SOPs and input locally moderated standards, local systems of practice LSOPs, in agreement with corporate management to accommodate contextual differences.

Despite the transition in management culture towards more involvement of **junior employees** being claimed by the respondents and advocated by the managers, *proactive idea initiation behaviour* was evidently more dominant among **middle** and **senior managers** (review Table 5.13). The given reasons for this were mainly that managers were able to overcome management barriers and can also influence higher levels of management to review existing procedures.

### 5.4.2.3. Andromeda Hotel London

The scope and nature of *proactive idea initiation* were defined by respondents to be continuous and range from the smallest adaptations to the service procedures, to innovations that require a greater level of commitment and investment. In describing the scope of *proactive idea initiation*, the Human Resources Talent Officer provided examples of less radical proactive ideas: *‘some colleagues came up with ideas...you know some people arrive to work and they wanted to have a bike rack...somewhere to park their bicycles so they came up with the idea of having space for their bicycles.... others came up with the idea of having benches in the female shower so their clothes wouldn’t get wet’*. In comparison, other forms of proactive ideas initiated that required a greater level of investment are included in Table 5.14. The Conference and Events Manager further distinguished between types of ideas: *‘some innovative ideas take time to implement, other innovative ideas could be simply the fact that you know...if the housekeeper noticed that the guest chucks loads of Mars bars wrappers away in their bin then that person must like Mars bars...I’m going to be innovative and put it on their guest profile so next time when they’re here we’ve got a pack of Mars bars in their room’*.

Innovation	Purpose	Initiator/Observer Explanation
Automated Accounting Template	Improve Procedure	Accountant: <i>‘we used to do our financial reporting manually....we scan invoices and print out revenue transactions from Opera (hotel management software)....so I developed an automated Excel template that can pull all revenue transactions from Opera to one report and save us long hours of work to type in all transactions in Excel document....this automated template works very convenient and helps avoid human error’</i> (see Micro Case 9 and Appendix 26).
Storage Vaults	Improve Procedure	Director of Engineering: <i>‘we had an issue with the size of our kitchen...we have limited space for storage and any extension of the storage would be restricted because of the limited space we have and the historic structure of the hotel building...then I thought of using the vaults that were used during Victorian days of the property to store wood and coal....we cleaned them and we are getting them ready...but we will have to get small trolleys so we can move kitchen supplies through the narrow passage in and out these vaults’</i> (see Appendix 27).
iPad Check In	Avoid Guest Dissatisfaction	IT Manager: <i>‘if we have a group coming in, a hundred people checking in....it’s a lot for the Front Office team to take.... but who is suffering? The higher rate paying guest who is coming with his family...because a group usually pay a lower rate...but the higher rate paying guest is paying extra money like £2,000 a night....is going to wait for 20 minutes and is going to get annoyed and will never come back again....so to avoid this situation we are adopting new technology which is iPad technology so the Guest Relations agents will have iPads...they check in the guest whilst talking to them and walking up to the room.’</i>



Table 5.14 continued

Designated Spa Room	Improve Procedure	Head Therapist: <i>'we have 17 treatment rooms and none of our therapists had a set room.....so when they come to work they are in a different room every time and they need to prepare the room and I noticed that this can take additional time and when you are changing rooms every single day the rooms don't stay tidy.....so I came up with the idea of designating a specific room for each therapist so they would look after their rooms properly... so that when they come in to do their treatment on guests they know that the room is going to be stacked properly: they've got towels, they've got equipment, they've got products....everything has been set up the night before.... which is nice when you come in and know that you are going to have a tidy room.'</i>
Children's Welcome Gesture	Exceed Guest Expectations	Guest Relations Manager: <i>'we have a procedure for family guests who come along with their kids....we wanted to have kids' amenities for guests so they would say, 'wow this hotel is good for families'....so we have teddy bears in their rooms and we gave them a small bag with chocolate and lolly pops....and now we have been open for some time I wanted to make kids' amenities even better...now I asked the pastry chef to bake like colourful muffins for kids.'</i>
Engraved Wedding Knife	Exceed Guest Expectations	Banqueting Operations Manager: <i>'we were trying to think of things to sort of 'wow' factor...something I did was all the brides and grooms who come in for their wedding they were given a complementary engraved cake knife to take away...so that's something I've done myself...so they get engraved names, dates, the hotel brand name and so on, so they could keep the knife as a souvenir of their weddings.'</i>
24 Hour Check In/Out	Exceed Guest Expectations	General Manager: <i>'I was with a travel agent in America and they were saying give us one reason why we should choose you as a new hotel...I didn't know quite well what I was going to say...I just said, 'Because we're going to give you 24 hours check in/out'... it was something that I subconsciously hated when I went to a hotel, not to be able to check in at all times.....then I went back and thought I better make sure we could deliver that...so I went back and discussed this with my team and we worked it through.'</i>

(Table 5. 14: Examples of Proactive Idea Initiation; Andromeda Hotel London)

From another perspective, continuity was highlighted as a characteristic of *proactive idea initiation behaviour*. For instance, according to the Concierge, *'I initiate ideas whenever I can really...if there is something that I see that seems like inconvenient way to do things and there is more straightforward simpler way...I will tell...I will tell my manager'*. And the Middle Eastern and Diplomatic Sales Manager: *'I think that if the guest at the end of their stay fill in that Market Metrix (Guest Satisfaction Feedback System) and we have done everything as they expected...they had a certain expectation when they came into the hotel but we've ticked every box...they got everything they expected, that means that we only get what 70–75% on that but we want to be at 90%....so we need to do something to exceed that expectation so that means we need to be that one step ahead of the customer*

for him to say, 'oh my God that is amazing...how did you come up with that?'. The hotel General Manager further related between the continuity of *proactive idea initiation* and the asymmetric nature of the hotel service: 'I think that we do a lot of innovation everyday....because we're not just putting packaging on the assembly line you know....or we're not assembling cars: that button goes here and that bolt goes there...we have some of that we're assembling under procedures but some of the things we do don't fit into procedures'. The hotel General Manager additionally substantiated maintaining a balanced view when implementing the corporate SOPs and employees' *proactive idea initiation behaviour*: 'so if I say here is a luxury watch (taking watch off and placing it on the table) but you could only use it in certain times....there is a restriction on times of when you can use it....why do you put conditions on luxury?'.

In addition, *proactive idea initiation* was evidently conducted by **junior employees** and **middle** and **senior managers**, except that it can be concluded from the respondents' answers that the **junior employees** initiated ideas to improve work conditions while the **middle** and **senior managers** aimed to improve service procedures and enhance the hotel guests' service experience.

## 5.5. Voluntary Conduct

### 5.5.1. Idea Search and Association

Preoccupation with work environment has led employees to constantly look for new ideas through either intentional or unintentional informal means, which highlights the main difference between *idea search and association* and the *proactive idea initiation behaviour pattern* discussed in an earlier section. Through *idea search and association behaviour* employees search for new ideas and associate these ideas with their work environment without any pre-set objectives, such as addressing a guest problem.

The research outcome in the three case studies revealed that some individuals were able to search for new ideas and at the same time associate ideas with their work environment. The research outcome also verified that employees' own commitment and creative ability to link ideas to the work environment are substantial determinants of conducting *idea search and association behaviour*. The following sections present data relevant to *Idea search and association behaviour*.



### 5.5.1.1. Andromeda Hotel Lisbon

Many respondents verified that they constantly searched for new ideas to keep up with the hotel sector trends, as the Front Office Manager claimed: *'I like to be up-to-date so I read magazines, I receive local newsletters, international newsletters'*. Personal interest also determined employees' behaviour to search for new ideas as explained by one of the hotel chefs: *'this is what I like to do...I go to the market to get my ingredients...but because I like to talk to people in the market....for example, people tell you where they have travelled and what food they had in other countries...in the Netherlands or Paris...and this helps me get new ideas for my recipes'*. Means to search for new ideas included subscribing to online newsletters or reading specialist magazines, and visiting showcase events and exhibitions, or even screening competitor hotels for comparison, as depicted in Table 5.15.

Idea Search and Association Behaviour	Front Office Shift Leader	Guest Relations Agent	Front Office Receptionist 2	Food and Beverage Assistant Director	Chef
Subscription to Specialist Magazines and Newsletters			<ul style="list-style-type: none"> <li>▪ Subscribed to newsletter for Estoril Higher Institute for Tourism and Hotel Studies</li> <li>▪ Subscribed to Publituris (Portuguese magazine for tourism)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Subscribed to Publituris (Portuguese magazine for tourism)</li> </ul>	
Search in Online Resources					<ul style="list-style-type: none"> <li>▪ Searched YouTube for new recipes</li> <li>▪ Searched Google for new recipes</li> </ul>
Visiting Showcase Events and Conferences	<ul style="list-style-type: none"> <li>▪ Visited BTL International Tourism Exhibition</li> </ul>	<ul style="list-style-type: none"> <li>▪ Visited BTL International Tourism Exhibition</li> </ul>			
Industry Competitors' Screening	<ul style="list-style-type: none"> <li>▪ Browsed competitors' websites to review promotions</li> </ul>				<ul style="list-style-type: none"> <li>▪ Reviewed famous chefs' websites</li> </ul>

(Table 5. 15: Examples of Idea Search Behaviour, Andromeda Hotel Lisbon)

The respondents' answers conveyed consistency in conducting *idea search behaviour* among **junior employees**, **middle** and **senior managers**. However, some managers preferred certain means of *idea search* that implicated less time and commitment, such as the IT Manager: *'you know nowadays time is important...it's not that I'm losing time attending those showcases, but the amount of time required is questioned whether it does worth the effort of attending a show which will not bring me profit....you have that risk factor which is a very big one...so that risk factor sometimes just puts me here in the hotel when I'd rather receive a couple of newsletters from network manufacturers like HP, Cisco....and check what's happening with them, what are their innovations'*.

Associating ideas encountered through various means of *idea search behaviour* with the work environment varied among respondents; some individuals were more capable of linking ideas to their work environment and proposing ideas for innovation. Concluding from the respondents' answers, employees own creativity and individual commitment were key determinants that drove employees' behaviour to *associate ideas* to the hotel service environment and make the additional effort to develop an idea into a form of innovation. An example of *idea search and association behaviour* leading to innovation is when the Front Office Manager initiated the idea of the Food and Beverage Flyer innovation (see Appendix 28); the flyer presented the hotel restaurants to the hotel guests and was meant to provide a brief description of the variety of cuisines served at the hotel restaurants. The Front Office Manager explained how this idea was explored and associated with the local hotel environment: *'I was on a leisure trip...and in the hotel abroad I saw a small flyer with the food and beverage outlets of that hotel....I liked the flyer and I thought that it would be nice if we can have these flyers in our guest rooms and public areas...so what I did is that I brought the flyer to show it to, at that time, to the Food and Beverage Director and to our Marketing Manager and Sales Director...I have shown them the flyer to decide if it was a good idea for us to have it here... and at that time we decided to print a similar flyer for our hotel...with elegant design to present the hotel restaurants to our guests'*.

#### 5.5.1.2. Mizar Prague Hotel

By reviewing the respondents' answers it became apparent that the employees of Mizar Prague Hotel continuously searched for new ideas without any specifically pre-set objectives. Employees conducted *idea search* either consciously or subconsciously for various reasons; such as when the Front Office Trainee Receptionist said, *'I am still*

*learning about the hotel industry and this is why I try to take every opportunity to find out about new developments in the hotel sector...to be informed about the industry'*; while the Marketing Coordinator justified her conduct of an idea search as, *'I believe that searching for new ideas subconsciously occupies our thinking after working here in the hotel....we always try to look for new ways to please our guests and to become ahead of our competitors...and this becomes like a habit that you do when you are on holiday in another hotel or when you browse the internet'*. The means to informally search for new ideas varied from one individual to another. Table 5.16 includes examples of *idea search* conduct as highlighted by the research respondents.

Idea Search and Association Behaviour	Food and Beverage Director	Finance Director	Marketing Coordinator	Front Office Trainee Receptionist	Food and Beverage Waitress
Subscription to Specialist Magazines and Newsletters	<ul style="list-style-type: none"> <li>Subscribed to the Czech Hotel Association newsletter</li> </ul>	<ul style="list-style-type: none"> <li>Subscribed to Mesec accounting and finance magazine</li> <li>Subscribed to ACCA newsletter</li> </ul>		<ul style="list-style-type: none"> <li>Read magazines</li> </ul>	<ul style="list-style-type: none"> <li>Read newspapers/magazines</li> </ul>
Search in Online Resources	<ul style="list-style-type: none"> <li>Registered for Rolling Pin business and jobs website</li> </ul>			<ul style="list-style-type: none"> <li>Subscribed to Lonely Planet</li> </ul>	<ul style="list-style-type: none"> <li>Used Facebook to search for industry trends</li> </ul>
Visiting Showcase Events and Conferences			<ul style="list-style-type: none"> <li>Visited Helas ladies club</li> </ul>	<ul style="list-style-type: none"> <li>Attended Barcelona Tourism Fair</li> </ul>	
Industry Competitors' Screening	<ul style="list-style-type: none"> <li>Browsed competitors' websites</li> </ul>		<ul style="list-style-type: none"> <li>Browsed competitors' websites</li> </ul>		

(Table 5. 16: Examples of Idea Search Behaviour, Mizar Prague Hotel)

Although *idea search behaviour* was evidently conducted by **junior employees**, some respondents in junior job roles expressed less enthusiasm for searching for ideas that can be applied to their work environment. They were rather more likely to search for new ideas out of personal interest. According to a Level 3 respondent, *'most of the time I use the internet to learn about new ideas for my own interest not because I need to tell my managers that I found this idea for you....I tried before to tell my manager about a new*

*idea that was created by our competitors but I felt that my idea was not seen as important’.*

In comparison, **middle** and **senior managers** regarded searching for new ideas as a means of developing individual awareness of the sector trends as well as fulfilling interest and curiosity.

*Associating ideas* to the hotel service environment, while searching for new ideas, was more noticeable conduct among **middle** and **senior managers**. The main driver behind this tendency was that managers perceived that after *associating ideas* to some sort of innovation, their ideas would have more chance to be practically implemented by the hotel management. Nonetheless, **junior employees** also *associated ideas* to their work environment, only that there was less evidence that they conveyed ideas to the hotel management, most likely due to the lack of motivation.

An example of *idea search and association behaviour* was when the Finance Director initiated the idea of Upgrading the Sales Department Software. The Finance Director aimed to implement the idea of replacing the software applied to operate accounts and transactions that was already outdated with new software, and reported the idea to the Director of the clustered Finance Department of Prague Mizar and Andromeda Prague hotels. The Finance Director of the hotels consequently explained the development of the idea: *‘I looked into the software package advertisement in the specialist magazine that I receive and I thought that it would be a good idea if we have it here....because I always received employees’ comments about the software being outdated...so I made contact with the software provider, which was a local company, and I got an offer...after that I discussed the new software with the Director of Finance in Andromeda Hotel and the General Manager, and they both approved purchasing the new software that we will hopefully have in two months’.*

#### 5.5.1.3. Andromeda Hotel London

The research outcome in Andromeda Hotel London revealed that the hotel management supported employees’ efforts to develop individual skills and experience of the hotel sector, including the search for new ideas for innovation. For example, the hotel management funded the expenses of employees who attended conferences and showcase events as well as paying for employees’ affiliation with professional bodies, as indicated by the Head of Concierge: *‘when I attended the international congress of Les*

*Clefs d'Or in Queensland last year...the flight and the administration fees was paid by the hotel, it was a five days conference...and Andromeda Hotels also paid for the yearly subscription to Les Clefs d'Or, which I believe is like £75 a year....in the team at the moment we currently have the three of us affiliated to Les Clefs d'Or'.*

Although management support of employees' *idea search* conduct was more directed towards **middle** and **senior managers**, employees of junior job roles also enthusiastically searched for new ideas, driven by career development aspirations and personal interest. **Junior employees'** *idea search* conduct was even extensive in some cases, such as the Hotel Concierge: *'...I've got mobile apps...I look for Time Out for example...where London is quite good...just general research on the internet...I'm looking...I particularly like to go for walks in central London to familiarise myself with the areas...I dine in restaurants with my partner, so myself and her would go for a meal somewhere or even just introduce myself to one of the managers and just say, 'look I'm from Andromeda Hotels and I just want to take a look...may I see the menu?'...that's how I would do [it] personally'.* In general, respondents' answers reflected diverse means of *idea search* conduct; Table 5.17 demonstrates examples of Andromeda Hotel London's *idea search* behaviour.

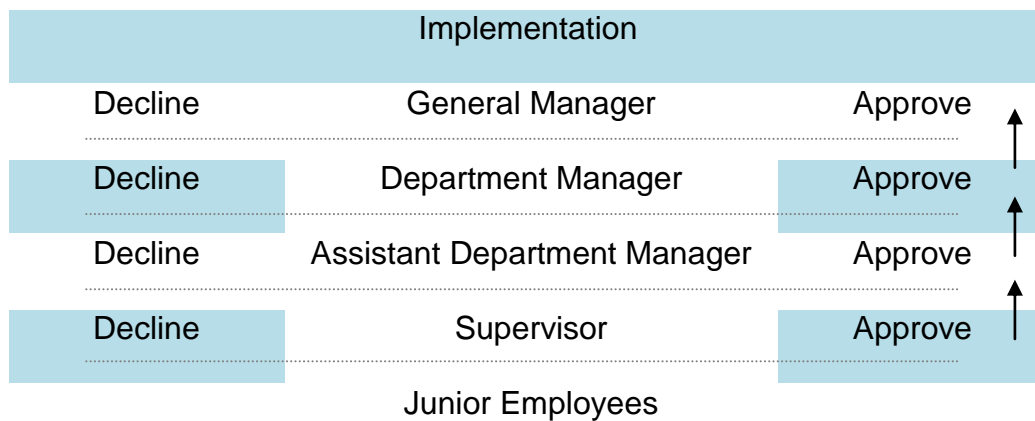
Idea Search and Association Behaviour	Concierge	Information Technology Manager	Head of Concierge	Executive Housekeeper	Accountant
Subscription to Specialist Magazines and Newsletters		<ul style="list-style-type: none"> <li>Subscribed to specialist IT magazines</li> </ul>	<ul style="list-style-type: none"> <li>Read newspapers/magazines</li> </ul>	<ul style="list-style-type: none"> <li>Read various magazines; house and garden, catering, hotels.</li> </ul>	<ul style="list-style-type: none"> <li>Subscribed to ACCA newsletter</li> </ul>
Search in Online Resources	<ul style="list-style-type: none"> <li>Searched in Time Out website</li> </ul>		<ul style="list-style-type: none"> <li>Subscribed to Square Meal website</li> <li>Subscribed to Emerald Street website</li> </ul>	<ul style="list-style-type: none"> <li>Searched in Google for new ideas</li> </ul>	
Visiting Showcase Events and Conferences		<ul style="list-style-type: none"> <li>Visited IT showcase in Dubai</li> </ul>	<ul style="list-style-type: none"> <li>Attended Les Clefs d'Or congress</li> </ul>		
Industry Competitors' Screening	<ul style="list-style-type: none"> <li>Visited competitor restaurants/hotels</li> </ul>			<ul style="list-style-type: none"> <li>Visited other hotels and compared their practices</li> </ul>	

(Table 5. 17: Examples of Idea Search Behaviour, Andromeda Hotel London)

Associating ideas with the hotel service environment was conducted by **junior, middle** and **senior employees**; the key determinants of this behaviour pattern were individual creativity and determination. Reporting the idea to the hotel management was determined by the ability to acquire management approval of the idea initiative. **Middle** and **senior managers** proved more consistent in reporting ideas for innovation, most likely due to their influence in convincing other colleagues and managers to implement their ideas. An example of this was when the Information Technology Manager of Andromeda Hotel London convinced the hotel management of the viability of the idea of Room Service Card innovation, and eventually acquired approval for this idea. The IT Manager's position has certainly helped in implementing an innovation in another department not directly administered by the IT Manager. The Room Service Card innovation comprised of a courtesy notice to advise the hotel guests of any repairs in their rooms while they were away (see Appendix 29). The IT Manager explained the development of the Room Service Card idea: *'when I was on holiday in the States I reported a problem with the shower to the hotel front office...and then I went out and when I came back I found a small card saying, 'dear guest, we attended your room while you were outside and we fixed the shower'...and I thought this is the smallest thing but it was important...because instead of having the guest chasing the hotel reception to ask what happened, 'did you fix the shower?', instead you have this small card to save you the effort...so I liked the idea and I took the card with me to show it to the hotel General Manager and the marketing team...and they liked the idea and now we have it here in our hotel'.*

### 5.5.2. Persuasion

As previously outlined in Section 5.3.2, the development of innovative ideas may be approved or restricted by management intervention; managers' judgements and evaluation of idea appropriateness consequently determine idea development. Figure 5.2 depicts the classic development of an idea undergoing multiple stages of approval or decline across the management hierarchy from the junior employees' level to the department management, and up to the higher levels of the hierarchy.



(Figure 5. 2: Classic Development of Idea throughout Management Levels)

To avoid obstruction by management dismissal of ideas, employees resorted to promoting their ideas through personal interaction to *persuade* managers and influence their decision to approve an idea. The research respondents' answers confirmed that employees utilised social acquaintance and skills to promote potential return from implementing an idea, to lobby for their ideas and overcome bureaucratic management hierarchical barriers and attain management approval. As will be presented in the following subsections, a common characteristic of *persuasion behaviour* is that it could be combined with another *innovative behaviour pattern*; *persuasion behaviour* is predominantly preceded by another *innovative behaviour pattern* that had identified the idea in the first instance.

#### 5.5.2.1. Andromeda Hotel Lisbon

Management restriction of idea development has consequently resulted in the decline of innovative ideas during numerous scenarios in Andromeda Hotel Lisbon, which led employees to make an additional effort beyond the traditional means of idea reporting to *persuade* managers to approve their ideas. Evidence in the research outcome came to confirm that after identifying an innovative idea, employees additionally lobbied to *persuade* their managers over the idea's feasibility. One form of *persuasion behaviour* was

to utilise acquaintances to influence the managers' decision to accept ideas; this was more evident in departments of smaller numbers of employees where there is more interaction and fewer bureaucratic barriers. An example of this is the hotel's Sales Department that comprises of three employees including the Department Director; the regular interaction between employees in this department assisted in creating social acquaintance in which the Sales Executive was able to *persuade* the Department Director about the idea of the Angolan Market Development (see Micro Case 2). The Sales Executive explained the boundaries of acquaintance within the department: '*...we are only three but we have a great relationship...I think we are not only colleagues, we are more than colleagues, we are friends...because we trust ourselves so much that its normal to become friends...and sometimes we spend more time here than at our homes...so we built a relationship between us...even with our Corporate Sales Manager...*'. The Sales Executive also used his research skills to project the financial return from implementing the Angolan Market Development idea in another form of *persuasion behaviour*; the Sales Executive conducted research by visiting libraries and databases to identify market trends and highlight the prospective opportunity in the Angolan market, and eventually presented the research findings to the hotel General Manager and the Corporate Sales Manager, who expressed interest in the idea and arranged for a trip to Angola for further exploration and direct communication with potential corporate clients.

At the **senior management** level, it was perceptible that acquaintance with other HODs may assist in *persuading* their peers with the appropriateness of their ideas. **Senior managers'** experience may also convey trust to other fellow Department Heads to consider ideas and initiatives, as they are able to project the financial returns and other positive non-financial gains from implementing an idea. An example of *persuasion conduct* through projecting financial return from implementing innovative ideas is the Thematic Terrace Lounge innovation (see Appendix 12); the Food and Beverage Director initiated the idea to uniquely reintroduce the hotel terrace lounge restaurant during the spring/summer season. Each season the terrace lounge would be presented in a unique theme, mainly aiming to attract non-resident local guests. For the Spring/Summer 2013 season, the theme was nominated as the fashion concept and involved re-upholstering the terrace lounge furniture in black and white fabric and adding colourful lighting, along with displays of renowned fashion shows on the large outdoor LCD screen.



At the **junior employees'** level, acquaintance with department management also assisted employees in junior job roles to *persuade* their department managers with the applicability of their ideas; once convinced with an idea, managers noticeably acted as idea advocates and lobbied on behalf of the **junior employees** to realise their ideas. An example of *persuasion behaviour* through acquaintance with department management is the Monthly Cultural Agenda (see Micro Case 3 and Appendix 30); the idea of the Cultural Agenda was initiated by one of the Guest Relations Agents to brief the hotel guests on local events, landmarks, restaurants and so on. The Guest Relations Agent *persuaded* the Front Office Manager about the Cultural Agenda idea, who actively advocated and presented the concept to the hotel's HODs until it was approved.

### 5.5.2.2. Mizar Prague Hotel

The directive management approach in Mizar Prague Hotel has undoubtedly led employees to employee *persuasion behaviour* to attain management approval of their innovative ideas; the recurring emergence of evidence of *persuasion behaviour* leading to innovations most likely reflects the effectiveness of this behaviour pattern in the case of Mizar Prague Hotel. In essence, acquaintance with managers was unveiled as an effective mean of persuasion, such as claimed by the hotel's Marketing Coordinator: '*if you have good relationships with managers you would have more chances to have your ideas accepted...maybe you will not have all your ideas become reality but if you have a good relationship with your managers, it will certainly help you to be heard*'.

An example of *persuasion behaviour* through acquaintance was the Private Sauna innovation (see Micro Case 5) that was initiated by the Marketing Coordinator. The Private Sauna innovation was to offer private sessions in the leisure club sauna and steam rooms along with complementary fruits and refreshments for families and closed groups. The Marketing Coordinator was acquainted with the hotel General Manager and the Director of the clustered Sales and Marketing Department, which jointly manage the Mizar Prague and Andromeda Prague hotels, where this acquaintance has helped in approving the Private Sauna idea.

Another form of *persuasion behaviour* was the acquaintance with corporate management; the previous hotel General Manager who is currently the General Manager of Andromeda

Hotel Prague reportedly utilised the relationship with the corporate management to attain the approval for innovative ideas. The previous General Manager of Mizar Prague Hotel comes originally from the same country where the corporate management is located, and worked for the company before being dispatched to manage the Mizar Prague Hotel. The General Manager initiated the idea of the hotel's Lobby/Restaurants Refurbishment after receiving guests' feedback on the outdated layout that may have no longer met the hotel's four star rating, and accordingly developed the Lobby/Restaurants Refurbishment idea that involved considerable financial expenditure (see Micro Case 4 and Appendix 31).

Efforts to prove idea value was another form of *persuasion conduct*; the outline of expected financial return and improving work procedures by implementing innovative ideas helped in attaining the hotel management's approval. An example of this is when the Front Office Manager initiated the idea of establishing seven paid-for parking spaces; the Front Office Manager researched the feasibility of the idea and inquired about the city council planning permission and then projected a monthly turnover of up to 35,000 Czech Koruna before approaching the hotel General Manager, who eventually approved the implementation of the idea. Another example was the Excel Accounting Template innovation that was initiated by the Assistant Director of Finance to replace the outdated manual financial reporting system (see Appendix 25). The Assistant Director of Finance *persuaded* the Director of the Finance Department to adopt electronic financial reporting through Excel software by demonstrating the convenience and reduced complication offered by electronic reporting.

**Junior employees'** *persuasion behaviour* through acquaintance or proving idea value was less detected. Instead, **junior employees** conducted *persuasion behaviour* by grouping together with other colleagues to participate in *persuasion conduct* through repeated requests to the hotel management until the innovative ideas were approved. For instance, the Front Office Receptionists continuously expressed the wish for a non-smoking hotel lobby and indoor dining areas until smoking was prohibited in these areas in May 2013. The idea of charging for hot water was also implemented after the Food and Beverage Department waiters grouped together in consistently persuading the Department Director to charge guests for hot water delivered to their rooms, to thus avoid excessive requests that exhausted waiters.

### 5.5.2.3. Andromeda Hotel London

Despite some degree of appreciation towards employees' idea generation that was detected in the management policy of Andromeda Hotel London, the research respondents' answers still revealed that *persuasion behaviour* was conducted to avoid management dismissal of innovative ideas, where management's appraisal and decision to approve or decline ideas was unavoidable. Yet, *persuasion* may not always result in favourable outcomes, according to the Human Resources Manager: *'sometimes trying to be creative, unique and deferent and having new ideas can be problematic...because you spend a lot of good time finding out problems and trying to persuade other people that your idea is really amazing and they don't agree, they just want to do the same thing...so it's hard to change people's minds...change is hard'*.

**Middle managers'** acquaintance with **senior managers** was recorded as an effective form of *persuasion behaviour*. An example of *persuasion behaviour* through acquaintance was the Name Memorising Techniques innovation; the innovation initiative mainly comprised of a series of techniques to help the Front Office employees remember guests' names to address them by name when they approach the Front Office Reception (see Appendix 19). The Talent and Development Manager initiated the Name Memorising Techniques' innovation after receiving several complaints from the hotel guests about mistakenly pronounced names, and eventually the Talent and Development Manager employed acquaintance with the hotel General Manager to attain approval for the Name Memorising Techniques idea.

Acquaintance with corporate management was another detected form of *persuasion behaviour* at the **senior management** level; the hotel's Information Technology Manager came across the Room Virtual Control System idea that is activated through a Smartphone/iPad application to operate the hotel rooms' heating, air conditioning, lighting, TV, and newspapers amenities. The IT Manager's previous work experience within the corporate management as well as originating from the same country where the company's head office is located, have together certainly helped in maintaining social acquaintance with the corporate executives. The IT Manager's acquaintance with the corporate IT Director helped attain the initial approval for the Room Virtual Control System idea where, at the time of interviewing, the idea was being examined for final approval.

At the **junior** and **middle management employees'** level, demonstrating the advantage retrieved from idea implementation or projecting financial gain were effectual means of *persuasion behaviour*. However, a Level 2 respondent further added a significant implication about *persuasion behaviour* skills that may determine managers' decisions to approve or decline ideas: *'to influence people when you obviously have to influence them in different ways depends on who they are...so you have to appeal to certain aspects of their character...so if someone...a particular person doesn't like change or isn't reacting maybe you come up with a way of doing things that you would know personally that it would appeal to them. For example, the General Manager likes to see things visually, so if I wrote him a proposal for something that I felt quite passionate about and I knew it would be a great idea...if I did it like that and gave him a long essay, he probably wouldn't read it, but if I did it in big and bold colourful visual presentation...as in this is where we're going to save money and this is how we're going to be better than competitors he would like it and go like 'great, amazing'... and maybe the way it works with the General Manager isn't the same way that works for someone else...maybe I need to sit them down and take them through it in detail'*.

An example of *persuasion behaviour* by projecting cost saving at the **middle management** level was the Electronic Human Resources Magazine innovation. The Human Resources Manager projected considerable cost saving by limiting the number of hard copy fancy versions and distributing the magazine electronically by email. The Human Resources Manager persuaded the Human Resources Director and the General Manager about the idea by demonstrating the cost saving that could be achieved by implementing the idea before it was finally approved. At the **junior employees'** level, an example of *persuasion behaviour* by demonstrating the advantage of implementing an innovative idea was the Automated Accounting Excel Template innovation initiated by an Accountant to replace the old manual financial reporting and link the hotel accounts in Opera software into one Excel file (see Micro Case 9 and Appendix 26). The Accountant attained the approval of the Automated Accounting Template Idea from the hotel's Director of Finance by showcasing the application of Excel software to reduce long hours of tedious manual work and avoiding potential manual reporting error.

## 5.6. Determining Factors

### 5.6.1. Management Procedures

Management support of idea generation and development conduct may not routinely promote generating new ideas for innovation; rather *management procedures* practically facilitate idea generation and development. As previously discussed in Section 5.3 of this chapter, *management procedures* encouraged *frontline interaction* and *mandatory idea generation conduct*, but there are other detected *management procedures* that determined employees' *innovative behaviour* either directly or indirectly.

*Management procedures* such as *brainstorming sessions*, meetings, idea integration mechanisms and means of nurturing social acquaintance between employees were reported to facilitate *innovative behaviour* leading to idea generation and development. The following subsections present the research data outlining the influence of management procedures on employees' *innovative behaviour* leading to idea generation and development within the three researched case studies.

#### 5.6.1.1. Andromeda Hotel Lisbon

Meetings are regularly held between the hotel Heads of Departments HODs and at the departments' level. The Hotel Head Barman described the conduct of performance evaluation in department meetings: *'in the meeting, the Department Director presents the results and talks about the guest comment cards...we have the guests cards to check our guests' satisfaction...if we have a problem we pass it directly to our managers...about the guest, about the service or about the drink...about different things'*; while the Human Resources Director explained the purpose for holding these meetings: *'we have meetings at the departments' level and also at Heads of Departments' HODs management level....morning briefing, morning meetings....where we discuss the operation of the previous day...what's going to happen during the day and about guests' complaints....and some situations that happened during the operation....that is daily where all the managers from all departments are attending'*. Meetings varied in terms of attendants' positions and purpose as outlined in Table 5.18, yet in relevance to idea generation and development conduct the value of the meetings resided in allowing the opportunity to share ideas between attendants.

Meeting	Purpose and Attendants
Morning Meeting (Daily Brief)	Meeting of Heads of Departments and their assistants to review performance and discuss any emergent issues.
Head of Departments' Weekly Meeting	Meeting of Heads of Departments and their assistants to review performance and discuss upcoming week events.
Department Monthly Meeting	Meeting at the department level held every month to review Market Matrix Report results and discuss department issues.
Department Weekly Meeting	Meeting of all department employees to review performance and outline weekly responsibilities. This meeting is specific to the Food and Beverage, Human Resources and Front Office Departments.
General Staff Meeting	Meeting of all hotel staff held twice a year to disclose performance indicators and award distinguished staff.

(Table 5. 18: Andromeda Hotel Lisbon Staff Meetings)

Meetings were also utilised for *brainstorming* ideas which effectively encouraged idea generation conduct; as discussed in Section 5.3.2 *brainstorming* sessions were held consistently during departmental monthly meetings. Some **senior managers** were additionally committed to encouraging *brainstorming* among **middle managers** and **junior employees**. Both the Front Office Manager and the Food and Beverage Director frequently held *brainstorming* sessions within their departments, only the response from the **middle managers** was more evident in comparison to that of the **junior employees** who regularly resorted to *persuasion behaviour* to voice their ideas (see Section 5.5.2). In the main, *brainstorming* proved as an effective means of generating ideas for innovation, as exemplified in Table 5.19.

Management Procedure	Idea	Initiator/Observer Explanation
Departmental Monthly Meeting Brainstorming	Front Office Telephone	Front Office Receptionist: 'Every time any guest approaches the reception and wants to call his family or friend in the room...and we were all busy and having a queue and he just wants to make a phone call then he will be waiting for 5-10 minutes, which is not good...so my idea was to put an internal telephone in the front office balcony and put instructions beside it on how to call the room...so the guest wouldn't have to wait.' Researcher: 'and what happened to this idea?' Front Office Receptionist: 'we still don't have this telephone for guests.'
Departmental Weekly Meeting Brainstorming	Change Room Turn Down Service Time	Housekeeping Executive: 'we proposed in the housekeeping department that we should change the time for room turn down service during the peak months for leisure visitors to the afternoon or evening time....most of the time we couldn't do the turn down service on time because leisure guests wake up late in the morning or kids are messing the room so we have to come back and clean the room.'

(Table 5. 19: Examples of Ideas Developed through Brainstorming; Andromeda Hotel Lisbon)

*Management procedures* assisted in the transfer of ideas between frontline employees and management, and across the management hierarchy from another perspective. At the service frontline level and per idea reporting mechanisms, employees were required to interact with the hotel guests and generate contemporary ideas in line with guests' needs and preferences, as per the management SOPs (see Section 5.3.1 and Appendix 17). The procedures applied to reporting ideas generated from frontline interaction conduct stem from transferred guests' ideas to the hotel senior management in different forms. While observing the front office employees interacting with the hotel guests, Front Office Receptionists uploaded remarks and ideas to guests' profiles in the hotel management software Opera (see Appendix 32), to be previewed locally by the hotel **senior managers** and by the corporate management after uploading guests' remarks and ideas from the Opera software to the Market Metrix report. *Brainstorming sessions* were additionally held during staff training organised by Valiant Hotelier, the corporate training and consultancy partner, where **junior employees** felt more comfortable to provide their ideas. *Management procedures* were also designed to directly collect guests' ideas through guest feedback cards and guest experience questionnaires sent by email after departure. Guests' feedback collected through these methods would be eventually uploaded to the Market Metrix report.

Another *management procedure* planned to transfer ideas horizontally through the management hierarchy was idea integration through the *Idea Box*. The *Idea Box* was launched in 2008 as a *Bright Ideas* initiative with the aim of encouraging employees to generate ideas to improve service procedures; the *Bright Ideas* initiative proved to be ineffective, and after it failed to achieve its objectives, the *Idea Box* was removed several months after launching the initiative. The Human Resources Director explained the reasons behind terminating the *Bright Ideas* initiative as: '*at the time when the Bright Ideas project started the relationship between the previous management and employees was not so good....and employees were not motivated enough to give ideas...some others were a little bit afraid to express their ideas....that's why it didn't work...because people were not seeing the benefit of giving their ideas*'.

The hotel management alternatively depended on *Quality Champions* to transfer ideas horizontally across the management hierarchy. A *Quality Champion* is appointed in each department to monitor guests' satisfaction, quality reports and represent the department in quality meetings, and at the same time report ideas generated within departments and

transfer these ideas to the hotel management during quality meetings. An example of reporting ideas through *Quality Champions* was the Daily News idea; according to the Training and Quality Manager, *'when reviewing guests' feedback we realised that there was a problem regarding lack of communication between departments...so we were thinking during the Quality Champions Meeting about how can we communicate at all times and become aware of what's happening in the hotel...so we decided to have a small paper, a small communication medium produced daily for employees just saying what is our occupancy for the day, who is the employee of the month, the guest of the day or VIPs, which groups that, do we have in house, or how many people and if there was a special event like a celebration or wedding'* (see Appendix 21).

*Management procedures* indirectly facilitated employees' *innovative behaviour* by nurturing social interaction between employees. The Human Resources Department launched the Team Building Events initiative to improve communication between employees who work in different departments and between **junior employees** and the hotel managers. The Guest Relations Agent 1 attended the Team Building Event during the time of conducting this research and described the event: *'the team building event is just some activities in groups where we visit landmarks and historical places of Lisbon and we have a competition where we have to answer some questions about Lisbon...and we have to do it in groups...and we competed with other groups from the hotel...and this makes you have some relationships with other people that you don't usually work with'* (see Appendix 33). Team Building Events were received well by the hotel employees and most respondents confirmed that these events enabled them to know other colleagues who work in other departments where they discussed work issues and shared ideas. From another dimension, Team Building Events enabled **junior employees** to communicate with **senior managers** and **middle managers** from other departments which helped in conducting *persuasion behaviour* through acquaintance, as previously discussed in Section 5.5.2.

#### 5.6.1.2. Mizar Prague Hotel

The research outcome revealed that the management of Mizar Prague Hotel organised regular meetings at the HODs and department levels. The purpose for meetings was justified by the respondents as mainly to review performance and emerging issues, and to



find solutions to address any encountered difficulties. Commitment to attend meetings varied from one employee to another at the **junior employees'** level; some employees of different nationalities find it difficult to engage with meetings because of the language barrier, as explained by a Level 3 employee: *'I only attended the monthly meeting once because of the language barrier'*. Some departments with small numbers of employees did not even hold department meetings such as the Information Technology Department that only included three employees, along with the Department Director. Furthermore, in other departments that were clustered with Andromeda Hotel Prague Hotel, such as the Sales and Marketing Department, departmental meetings were jointly held as per the Sales Manager's comment: Researcher: *'do you attend the monthly meetings?'* Sales Manager: *'we report to the Sales Director in Andromeda Hotel Prague because we work in one department, clustered department....so we attend the meeting with them in the other hotel'*. Although received differently by **junior employees**, meetings were generally perceived to improve communication between the hotel departments and to help evaluate service performance. Table 5.20 lists meetings held regularly as reported by the respondents.

Meeting	Purpose and Attendants
Morning Meeting (Daily Brief)	Meeting of Heads of Departments and their assistants to review performance and discuss any emerging issues.
Head of Departments' Weekly Meeting	Meeting of Heads of Departments and their assistants to review performance and discuss upcoming week events.
Department Monthly Meeting	Meeting at the department level held every month to review the Market Matrix report results and discuss department issues (see Appendix 34).
General Manager's Meeting	Meeting of all hotel staff held twice a year to disclose performance indicators and award distinguished staff.

(Table 5. 20: Mizar Prague Hotel Staff Meetings)

The hotel **senior management** additionally devised meetings to conduct *brainstorming sessions* to encourage idea generation among **middle managers** and **junior employees**. The *brainstorming* sessions were mainly held during the monthly departmental meetings where some **senior managers** were more committed than others to holding *brainstorming sessions* during the meetings and at the same time involving **junior employees** in generating ideas. For instance, the Front Office Manager was acknowledged by the Front Office **junior employees** as promoting a department culture that encouraged Idea Generation conduct. However, in some other departments it was highlighted that **junior employees** were reluctant to communicate their ideas publicly during meetings and preferred to report ideas verbally to their direct managers.

The training consultant Valiant Hotelier organised *brainstorming* sessions while training the hotel employees who were asked to report ideas on a suggestions form to improve service procedures or improve work conditions. Valiant Hotelier, the training consultant, was reportedly able to encourage employees to come up with new ideas in a less directive environment, as explicated by the Human Resources Director: *'In March 2012 we had the Managing Director of Valiant Hotelier here, who was the Chief Executive Officer of Andromeda Hotels....so we had this brainstorming and I must say that the Director managed the whole session amazingly...I believe that it worked because he was able to get everybody involved and the employees felt more comfortable to voice their ideas without direct influence by managers'*. Although the **junior employees'** contribution was generally less evident, *brainstorming* still helped employees in generating ideas that developed into forms of innovation (see Table 5.21).

Management Procedure	Idea	Initiator/Observer Explanation
Departmental Monthly Meeting Brainstorming	Internal Newsletter	Marketing Coordinator: <i>'I suggested during our department meeting having like an internal newsletter for the hotel employees...the newsletter on a PDF document to be sent by email or to be placed on a billboard in the staff canteen....we noticed that employees sometimes wouldn't know about the promotions or the events that take place....so I thought that this newsletter may help improve communication.'</i> Researcher: <i>'so you have the newsletter now?'</i> Marketing Coordinator: <i>'my suggestion is still being reviewed.'</i>
Valiant Hotelier Training Brainstorming	Replacing Rooms Mini-Bars with Vending Machines	Health and Safety Manager: <i>'in the Valiant Hotelier training everyone is asked to come up with a new idea for improvement....so one of the Housekeepers suggested replacing the mini-bars that we have in the bedrooms with vending machines that would be located in the corridor on each floor...the Housekeeper discussed that the checking and replenishment of the mini-bars was taking additional time....because [we] have the shops and shopping mall near our hotel the guests weren't using the mini-bars...so we could replace them with vending machines.'</i> Researcher: <i>'was this approved?'</i> Health and Safety Manager: <i>'no it was not approved, because we have to go by four star hotel standards.'</i>

(Table 5. 21: Examples of Ideas Developed through Brainstorming; Mizar Prague Hotel)

The hotel management further applied direct methods to report ideas hierarchically throughout the levels of management. The *Idea Box* was among the methods planned to report ideas directly to the hotel senior management; the *Idea Box* was primarily mandated to collect employees' ideas on improving service procedures or any issues related to the work environment, but it failed to achieve its objectives. The directive

approach of the previous hotel management was reported to be among the main reasons that employees did not effectively report their ideas through the *Idea Box*, as explained by a Level 2 interviewee: *'the previous General Manager had his own style of doing things...that could be sometimes directive...so I think at that time employees didn't see that it was possible for their ideas to become reality...and that's why the Idea Box didn't work'*.

Information Technology Integration facilitated the transfer of ideas from the service frontline to the hotel management. After the hotel management authorised operating the Opera software in February 2012, the hotel frontline employees were able to upload guest remarks and ideas—either filled in guests' feedback cards (see Appendix 16) or verbally reported—to the Opera software to be previewed by the hotel **senior management** and at the intra-organisational level by **corporate management** through the Market Metrix report. Other means to report guests' remarks and ideas were department specific, such as in the Front Office Department where the Department Manager supported idea generation among employees. The Front Office Manager consistently encouraged employees to report ideas which reflected on employees' commitment to integrate ideas by asking guests to fill in guests' cards or a direct statement of ideas.

The hotel management additionally launched the employees' Social Club to organise social events which ultimately aimed to promote better communication between employees working in different departments, and between employees and the hotel management from another perspective. The Social Club was determined as an indirect management procedure to facilitate idea communication and nurture social acquaintance between employees. The Social Club organised social events such as the staff annual party and days out (see Appendix 35) that were attended by employees of all job levels. Yet, it was discerned from the research outcome that social acquaintance during social events was more evident in attendants of **middle** and **senior management** roles.

#### 5.6.1.3. Andromeda Hotel London

Since the hotel opening in April 2011, meetings were held continuously to evaluate service performance. The hotel management were dedicated to maintaining continuous improvement of the service standards, of which meetings allowed direct communication between management and employees who worked in the service frontline, and also between employees of different positions along the hotel management hierarchy.

Meetings were held at the department level, HODs level and communally to include all the hotel employees in the quarterly meetings which allowed **junior employees** to voice their ideas through to the hotel's **senior management**. According to the Human Resources Talent Officer, *'in the meetings they came up with an idea, you know some employees they want to have a bicycle rack to park their bikes...so we installed the rack for them...some others came up with the idea of having benches in the female shower...you know in the shower area there was nothing to put your things on....so you take your things, you put everything on the floor and they can get wet...so they came up with an idea of having a bench there'*. The research outcome reflected diversity in meetings organised by the hotel management; Table 5.22 includes a list of meetings as described by the research respondents.

Meeting	Purpose and Attendants
Morning Meeting (Daily Brief)	Meeting of Heads of Departments and their assistants to review performance and discuss any emerging issues.
Head of Departments' Weekly Meeting	Meeting of Heads of Departments and their assistants to review performance and discuss upcoming week events.
Department Monthly Meeting	Meeting at the department level held every month to review IQ Report results and discuss department issues.
Department Weekly Meeting	Meeting of all department employees to review performance and outline weekly responsibilities. This meeting is specific to the Food and Beverage, Human Resources, Front Office, and Revenue and Finance Departments.
Full Team Meeting	Meeting of all hotel staff held two times a year to disclose performance indicators and award distinguished staff.

(Table 5. 22: Andromeda Hotel London Staff Meetings)

*Brainstorming* emerged as an effective means of generating ideas during meetings; the management of Andromeda Hotel London dedicated additional effort to facilitate idea generation through holding *brainstorming sessions* in departmental monthly meetings. The hotel management further launched the *Good to Great* initiative that involved employees participating in *brainstorming* ideas based on the review of the IQ Report. The *Good to Great* meetings only started at the time of research, and implicated that each department would review its relevant IQ Report's annual results and accordingly present a set of suggestions to improve performance. Generally, *brainstorming* helped facilitating idea generation conduct (see Table 5.23), only that the responses from the **junior employees** varied. At the same time, while some **junior employees** felt that they could communicate their ideas during department monthly meetings or the Full Team quarterly meetings, some other **junior employees** were reluctant to contribute with their ideas due to previous experiences where their ideas were dismissed or ignored. A Level 2 respondent also

explained that due to the fact that some employees are foreign nationals, they may be too shy or lack the linguistic skills to express themselves well in front of a bigger audience.

Management Procedure	Idea	Initiator/Observer Explanation
Department Monthly Meeting Brainstorming	Earlier Room Linen Shift	Executive Housekeeper: <i>'a practical example is with the porters...they were arriving at 8 o'clock and the room attendants were also arriving at 8 o'clock, but our linen is done outside so by the time they brought the linen up [the] room attendants already become short of some linen because our pantries are quite small....and it was during one of these meetings when they said well can we try coming earlier and we will all come at 7:30 so that gives us half an hour to load up our pantries by the time the room attendants come we are sorted and we can focus on guest requests...so I said, 'OK let's give it a try, if it works smoothly or if we see any problems we'll adjust and the rota will go accordingly'...we did it...it worked well and now it has become one of our procedures.'</i>
Department Monthly Meeting Brainstorming	Exit Interview Online Form	HR Talent Officer: <i>'we used to send by email the form for leaving employees to fill in and we were supposed to gather these forms and analyse the data in the forms for the General Manager who normally wants to see the exit form....but some people don't print the form out or don't bother returning it...so we, I came up with the idea of developing an online form that includes all questions and at the same time can do the analysis for us and save us a lot of time' (see Appendix 24).</i>

(Table 5. 23: Examples of Ideas Developed through Brainstorming; Andromeda Hotel London)

To help transfer ideas more effectively across management hierarchical levels, the hotel management applied a number of procedures including the *consultative committee*. Each of the hotel departments delegated a representative to the committee meeting where representatives work with department colleagues to collect ideas on department issues and present these ideas to the *consultative committee*. The committee subdivided meetings into two categories: one as the staff canteen *consultative committee* meeting, while the other meeting as the general staff *consultative committee* meeting. Reportedly, junior employees utilised the *consultative committee* representatives to mainly report ideas on improving work conditions. According to the Executive Housekeeper, *'employees can raise all the issues they want in that meeting...and most of it was about the staff canteen and food because that's very important for employees...and then we obviously know the results when Human Resources actions something that was based on those ideas that have come through'* (see Appendix 36). The Conference and Events Manager further confirmed utilising meetings to improve work conditions: *'so we as a team, the sales and marketing team, we would have a chat...and we have a representative and they'll say, 'I'm going to the meeting next week has anybody got anything they want to feedback?'...and*

*that could be something as simple as staff bedroom rates being not the best out there compared to some of our competitors...‘how about on a Sunday when it’s really quiet? can we just have a fixed rate?’...which was brought to the staff consultative committee...and the General Manager and the HR Director there...straight away they went, ‘we will do that, we like the idea’ and it was an easy win...or it could be something along the line of there’s nowhere to park my bike’.*

The hotel management used another procedure to transfer ideas throughout the management hierarchy; the *Idea Box* was used during campaigns to collect employees’ ideas and views on specific issues or to gather employees’ ideas during the Full Team quarterly meetings. Other methods to transfer ideas directly included information technology integration; the Front Office Department employees integrated guests’ ideas and remarks filled into guests’ comments cards (see Appendix 16) or verbally reported by guests through the Opera software to enable both the hotel **senior management** and the corporate management to preview guests’ ideas and remarks through the IQ Report.

Indirect management procedures such as the Social Committee helped to create social acquaintance and improved communicating ideas amongst employees. The Social Committee organised a series of social events such as the staff summer party, the quiz night and the five kilometre run (see Appendix 37) to improve interaction between employees. However, some sceptical views among respondents questioned whether the Social Committee could attract many of the hotel employees to join its events, as a Level 2 respondent confirmed: *‘In my personal opinion, social teams in a hotel are very difficult to master...how to get the enthusiasm of everybody...and I think they work quite well when you are working in a hotel outside of town, because people who come from local they probably drive 15-20 minutes to get to work whereas in a hotel in central London it might take me an hour and a half, not me personally but it might take someone an hour and a half to get home...so they’re not going to attend events when they need time to get home...and also you’ve got such a diverse amount of cultures and therefore what is a fun idea for a British person might not be a fun idea for somebody from another country...we’ve got 40 odd different nationalities in the hotel...so one person’s idea of a good time isn’t the same for somebody else’.*

### 5.6.2. Motivation

The motivating factors highlighted during the interviews can be classified under two categories: management mandated reward system and intrinsic motivating factors. Management reward mainly comprised of two awards: one being announced monthly and the other award annually granted. The actual prize of the monthly award is made up of vouchers for restaurant meals or a weekend hotel stay for two people, while the annual award recipient would be invited to spend a week in southern Europe to visit the corporate management; in both awards the recipients' names and photographs would be advertised to be thus be celebrated by other colleagues.

Other intrinsic factors, based on employees' instinctive evaluation of retrieved benefit, motivated or de-motivated employees to conduct *innovative behaviour*, but varied in nature and impact from one individual to another. The following subsections review the management reward scheme in each researched case study and identify both motivating and de-motivating intrinsic factors encountered.

#### 5.6.2.1. Andromeda Hotel Lisbon

Motivating incentives in the form of management awards were not directly related to *employees' innovative behaviour*; rather the management reward system was designed to reward employees' performance, leading mainly to increase guests' satisfaction or collaborating effectively with other colleagues. Despite not clearly identifying innovation or *innovative behaviour* among the indicators of management reward entitlement, some unannounced relevance between *innovative behaviour* and the management reward system may still be sensed in terms of the conduct leading to increased guest contentment. Since the reward system depended on employee nomination by the hotel guests and colleagues, *innovative behaviour* leading to new innovations that may enhance guests' experiences or improve other colleagues' work conditions would expectedly be highly regarded by voters of award nominees. The Food and Beverage Department Director further explained, '*every time I vote to choose an employee of the year, I always have a number of factors in mind...you call it ideas and I call it proaction...because if you are not proactive you would not have ideas...I take that into consideration when I choose them*'.

Employee valued performance is rewarded mainly through two main awards: the *employee of the month* and the *employee of the year* awards. To qualify for the *employee of the month* award an employee would have to receive the highest score in guests' nominations reported in the guests' feedback cards and to be regarded by the department management. The name and photograph of the recipient of the highest score would then be displayed on the *wall of fame*, which is a noticeboard located in the front office and employees' public areas (see Appendix 38). The *employee of the year* award, from another perspective, would be rewarded when the hotel employees vote to select a nominee among the *employee of the month* award recipients as an *employee of the year* (see Appendix 39).

Another form of management reward is the bonus scheme, where employees working in the Front Office Department received bonus payments for cross-selling additional services to the hotel guests. Bonus payments were also paid to the Sales and Marketing department employees for achieving sales objectives.

From another perspective, the research respondents highlighted other intrinsic factors of motivation that may be of more direct influence on employees' *innovative behaviour*. These factors varied from one individual to another, and also varied upon employees' job roles. At the **junior employees'** level *improving work procedures* to allow more convenience in processing service procedures was a key motivating determinant. Another main motivating determinant identified was *job fulfilment*, which reflected **junior employees'** ability to effectively conduct service procedures; for instance the Guest Relations Agent asserted that, '*I feel that I make part of the company and that they need me to improve the service, so this is my motivation...*'. The Front Office Receptionist 2 further provided an example of the relationship between *job fulfilment* as a motivating factor and its impact on the hotel guests: '*I think that in the hotel industry we should be introducing new ideas because it's not only a question of improving the facilities...because today we can find a hotel with a very nice swimming pool or a great spa but, in my opinion, the main important aspect where we can make the difference is the service...and if we are looking for something new that we can provide the best service to our guests with, we can improve our guests' loyalty and satisfaction...*'. *Personal interest* and *curiosity* were revealed as additional motivating factors for **junior employees**, but also as being less influential than the two factors mentioned previously.



*Job fulfilment* also emerged as a determining motivating factor among **middle** and **senior managers**. The hotel Chief Engineer illustrated the motivating effect of the sense of *job fulfilment* as, ‘*actually what motivates me to generate ideas is the possibility to accomplish the work I was given, not because I could be considered as genius*’. The Head Barman further added, ‘*in my opinion ideas come from my passion towards my job...if I like my job I will try learn everything to reach my potential and learn about everything related to my job...and it’s not enough for me to learn but I would feel good about sharing my ideas with other colleagues*’. Self-determination for *accomplishment* emerged as another key motivating factor. Researcher: ‘*what motivates you generate new ideas?*’ Information Technology Manager: ‘*well, it’s part of myself...I’m not the person that relaxes...I’m self-motivated and I always want to achieve my goals and finalise my projects even if they take long because there are so many problems in a day of an IT manager, but we need to solve them all*’. Other detected factors that motivated **middle** and **senior manager** to conduct *innovative behaviour*, but maybe of less impact, were *recognition* among other colleagues and *personal interest*.

By contrast, *management cynicism* towards employees’ ideas was recognised as a de-motivating factor during interviews; management discouragement of employees’ *innovative behaviour* and disapproval of ideas without providing sufficient justification not only discouraged **junior employees**, but also **middle** and **senior managers** to come up with innovative ideas. According to a Level 1 interviewee, ‘*I believe that if employees feel that their ideas are heard they tend to bring in new ideas...for example, I was presenting an idea to my manager this afternoon which was turned down without any explanation, and that can put me off suggesting any ideas next time...I believe that if we incentivise employees to bring new ideas, and they are the ones that are in direct contact with the guests, they can bring the best ideas to the hotel*’. Excessive work load was comparably classified as a de-motivating factor, although this was more persistent among **junior employees** who work in the frontline service areas, while **middle managers** moreover also considered excessive work load as a de-motivating factor.

#### 5.6.2.2. Mizar Prague Hotel

The review of the management mandated reward system in the case of Mizar Prague Hotel revealed two main awards: the *star of the month award* and the *cross selling bonus scheme* that rewarded Front Office employees for cross selling supplementary services to

the hotel guests, and Department Directors for achieving their department's pre-set objectives. The hotel Departments' Directors would nominate an employee for the *star of the month* award from each department, for being dedicated to their work role and delivering a higher standard of service; the *star of the month* award recipient would be then chosen among department nominees through employees' votes. The Front Office Manager questioned the effectiveness of the *star of the month* award by verifying that the reward scheme may not be fair to all employees, due to the fact that some employees who work in the department back office may not be known to all employees in the hotel and therefore would have less chances of winning the award vote. In practice, the Front Office Manager remarked that due to the ineffectiveness of the *star of the month* award, an alternative self-initiated reward was provided to the Front Office employees: *'I already figured out to suggest some recognition programmes that might come from Human Resources...and till that happens basically what I do for my team I always buy them chocolate...for each person who gets recognised by guests I always buy them chocolate or something...and basically even though it's not much but I want them to know that I appreciate what they do...added to the employee of the month...you can nominate of course people but there are lots of nominees...and if they don't win there would be no reward for them...you know, it's not [as] motivating as if they win'*.

Other factors that were not mandated by the hotel management were stated to intrinsically encourage employees' *innovative behaviour*. The intention of *problem solving* was expressed to be a substantially self-determined motivating factor for **middle** and **senior managers**. The sense of *job fulfilment* mattered, as well has highly motivated **middle** and **senior managers** to conduct *innovative behaviour*. When asked to outline the main driver for *innovative behaviour*, the Front Office Manager verified that, *'...I love my job...I just love my job and I want to give it a 100%...so if I have a problem or something is not up to my liking or my standards then I will look for a solution and look for a way to solve it or improve it...so that is my motivation'*. Other motivating factors reported to encourage *innovative behaviour* among **middle** and **senior managers**, but probably of less determining effect, were *recognition* among work colleagues as well as individuals own *creativity*.

The foremost intrinsic motivating factors for **junior employees** included *improving work conditions*, where employees were keen on generating innovative ideas to improve the conditions of their work environment. *Job fulfilment* was verified as another motivating

factor for **junior employees**; expressions such as '*I feel good about myself*' (Food and Beverage Waitress) and '*innovative behaviour is a job requirement*' (Marketing Coordinator) reflect **junior employees'** *innovative behaviour* conduct with the intention of fulfilling their role requirements. *Creativity* and the sense of *team work* were additionally mentioned as motivating **junior employees** to conduct *innovative behaviour*, except that these two factors were perceived as being less influential than the other factors mentioned earlier.

De-motivating factors reversely hampered *innovative behaviour* among employees from another standpoint. *Management cynicism* towards innovative ideas was reported as a prominent de-motivating factor among **junior employees**; the reason provided for this was that some managers practised an authoritarian manner of management, as explained by a Level 2 interviewee: '*here in the Czech Republic management and authority are practised in a classic way...therefore junior employees have less influence here and have limited ability to change things*'. Furthermore, the Human Resources Director identified resistance to change as another cause for *management cynicism* towards innovative ideas. *Management cynicism* similarly de-motivated **senior** and **middle managers** to carry on *innovative behaviour*, until the recently appointed General Manager endeavoured to promote further involvement of employees to replace the authoritarian style of management culture practised by the previous hotel management.

The *lack of ownership* was reported as another prominent de-motivating factor for **junior employees**, due to the fact that many of the hotel **junior employees** were contracted by recruitment agencies on a temporary basis, and therefore this may affect their *innovative behaviour*. Accordingly, the Human Resources Director confirmed, '*...we always have problems with Food and Beverage and room service staff, who are students working as waiters or Housekeeping assistants on holidays or placements...I find it hard to make temporary employees become 100% engaged with the job role and generate ideas...*'. In addition, many temporary employees come from neighbouring countries to the Czech Republic, and therefore the *language barrier* would most likely prevent those employees from communicating effectively with the hotel guests or reporting contemporary ideas to the hotel management.

The *absence of a service-oriented culture* further de-motivated frontline employees to expect any value from generating contemporary ideas through interaction with the hotel

guests, as verified by a Level 2 interviewee: *'....frontline employees have more ideas but they are not interested in reporting ideas to the hotel management...'*. A Level 1 respondent also referred to the *cultural implication* that makes frontline employees reluctant to report guests' ideas as, *'there is no personal gain from such conduct'*.

### 5.6.2.3. Andromeda Hotel London

The management rewards for employees' outstanding performance was designed unconventionally to add further excitement and enthusiasm, of which the selection of award winners is based on the nomination by department managers, and then the confirmation of award winners by the hotel Executive Committee. A new theme of reward is set up each season by the hotel management matching a contemporary trend; as clarified by the Human Resources Director: *'we decided to be innovative in the way we make the employees' awards...we kind of moved away from the employee of the month reward to add more excitement...like for the previous year we had the Oscar theme where winners were given a replica Oscar trophy with the actual award...and for this year, after the Olympic Games, we came up with the Olympians awards...we have the winners' names in their own hand print on the wall of fame and we give them a gold medal with the award'* (see Appendix 40). Unlike the typical rewards given without consideration to recipients' preferences, the actual rewards are designed in line with employees' preferences, as verified by the Human Resources Department Manager: *'what we do when every employee starts with us they get given a form by Human Resources called 'Getting to know you' and we ask them questions like: if you could go anywhere in the world where would you go? what is your favourite food? if we have to buy you a present what would you like?...and that gets uploaded, all that information onto our HR database...so I then have an insight about what makes them tick and we would like to translate that to when we give them a gift, or when we reward them for doing well...it's not just 'here's a bottle of champagne', they might not even drink we don't know...but we do know because we can go into our HR database and we can say actually this employee loves New York, let's give her some flight vouchers that she can put towards that...or she loves a show, let's get her something on Broadway...and it's something that this person is going to open and say, 'wow, they thought about this'.*

Other forms of management awards that were revealed were based on the time length of service of each employee in the hotel. Accordingly, the Human Resources Talent officer explained, *'when they are here for a year they get a free night stay in the hotel, and they can bring a guest....and then at three years they get spa treatment for two people plus lunch at the lobby lounge for two'*. At the time of the research further plans for generic awards were revealed to be launched over the forthcoming months; the Human Resources Department planned to initiate a monthly award in recognition of employees' consistency of superior performance in line with corporate values, in addition to the *employee of the year award* to reward highly dedicated employees.

The Front Office Management, in addition, launched a department specific award for generating revenue and cross selling that comprised of bonus payments and dinner vouchers. The Front Office Reception **junior employees** were divided into teams to increase sales' revenue results and promote the sense of team motivation, as remarked by the Front Office Manager: *'in terms of hitting the target revenue we divide Front Office employees into teams...like three to four members in each team...and then whoever gets more revenue or do more up-selling...for example, the Pink Panther Team got the most then they get the award...to make it more interesting for employees to work in teams...and also we have members of staff who are particularly good in up-selling and if you combine them with somebody else who is not really confident in up-selling it will work better as a team to achieve better results'*.

Other motivating factors that were not mandated by the hotel management but intrinsically encouraged **junior employees'** *innovative behaviour* consistently emerged. *Problem solving* was highlighted as an intrinsic motivating factor that prompted **junior employees** to look for ideas to solve encountered work problems. Accordingly, the Hotel Concierge commented, *'when you get a problem I think that's the best way of having ideas...when a problem arises, when someone has got a problem'*. *Improving work procedures* was expressed as another intrinsically motivating factor that encouraged **junior employees'** *innovative behaviour* to come up with ideas that make work procedures or conditions more convenient. Some of the interviewed **junior employees** perceived their own creative nature as a motivating factor, such as the Human Resources Talent Officer who expressed, *'I suppose I personally don't like my day to be the same every day...because I guess I'm a creative person by nature'*. The sense of *developing ideas with work colleagues* additionally appeared to motivate some **junior employees** who felt that

building on other colleagues' innovative ideas was more insightful than to generate one's own ideas. The Front Office Manager, moreover, added the viewpoint that **junior employees** in the Front Office Department are likely to be motivated to come up with innovative ideas when being *involved in idea generation*: *'of course a manager is a manager who has the last word but we keep our staff motivated by getting them involved, not just pressing a button to check in and check out'*.

The motive of *job fulfilment* encouraged **middle** and **senior managers** to conduct *innovative behaviour*. The Banqueting and Operations Manager consequently interpreted his commitment to generate innovative ideas as, *'what motivates me...ermm...I like to be given deadlines, I'm somebody who has to work towards a deadline...it's like homework, you know at school, I just always achieve deadlines...put it this way I never like to be second best...I have to be first...and that inspires me to come up with new ideas and think ahead'*. *Personal interest* further reportedly motivated **middle** and **senior managers** to search for new ideas. For instance, the hotel Middle Eastern and Diplomatic Sales Manager related the additional search for ideas and information on prospect guests to *personal interest*: *'...I find it really fascinating and I find it very interesting because it's very different...and I've always had an interest in different cultures...and it kind of just happen I just naturally developed interest in it and it interests me that I read a lot of books...and when I go to the Middle East I try to make an effort to see what kind of books that they have...I try to make an effort to be informed, like when I go there I take all the magazines or newspapers that I can get...and I find the whole thing very interesting'*. Creativity also intrinsically encouraged *innovative behaviour* among **middle** and **senior managers** as reported by the hotel Head Concierge: *'...when I'm out there and going to a restaurant or staying in a hotel on holidays...I always look for ways of improvement, definitely...creativity I guess, as a person I always, I introduce something that I think will benefit the hotel or the team...I always make the change or introduce new ideas to keep the team fresh'*.

Conversely, de-motivating factors that constrained employees' *innovative behaviour* were detected. *Management cynicism* towards innovative ideas consistently de-motivated employees of all levels to report their ideas to the higher level of management hierarchy, as explained by a Level 2 respondent: *'when the managers don't understand or don't get it...so you get a lot of resistance...sometimes you know how good something can be or how unique or how beneficial it can be and people just create obstacles...they don't see it or they don't want to see it or they are frightened by it...it can be very frustrating'*.

*Management cynicism* had a tremendously frustrating impact on **junior employees** when ideas related to improving work conditions were ignored; one of the Level 3 respondents expressed deep frustration at not being listened to even after repeatedly requesting to have a lighter model of staff uniform that is more suitable for the summer months, than the standard wool uniform worn all year round. *Excessive work load* was reported as another de-motivating factor for **junior employees, middle** and **senior managers** alike.

It was further highlighted during the interviews that the sense of *lacking ownership* de-motivated **junior employees** who were contracted on a temporary basis to generate ideas for innovation. In confirmation, a Level 2 respondent commented, *'our challenge here in London particularly is that we have over 50% agency staff...we have a higher turnover in the agency staff...so from the agency staff there is still somehow an attitude of this is not my hotel'*. Researcher: *'lack of ownership?'* Level 2 respondent: *'exactly, and that means a whole lot of other challenges really...'* Researcher: *'they wouldn't care?'* Level 2 respondent: *'no, unfortunately.'*

5.7. Micro Cases

5.7.1. Micro Case 1: Energy Efficient Hotel

Description

The Energy Efficient Hotel project is a tailored engineering solution to rationalise energy consumption in Andromeda Hotel Lisbon through state-of-the-art energy saving measures and autonomous energy production. The project was instigated in 2007 in a joint development by Andromeda Hotels and Galp Energia, a leading energy supplier in Portugal, to progress through several stages from promoting environmental sustainability among employees to investing in solar power generation installations. At the time of the research, the project reduced energy consumption from 9.3GWh per year to 7.28GWh per year, resulting in a 22% saving of the overall energy bill.

The energy efficiency procedures included utilising solar power to preheat four large water reservoirs of 5,000 litres capacity to provide a constant supply of hot water to the hotel rooms (see Appendix 41). Other energy saving measures included installing energy saving light bulbs and sensors across wide areas of the hotel property.

The Energy Efficient Hotel project was widely acknowledged for its innovative design and accordingly received a number of special industry awards. The hotel Chief Engineer, who was acting as the Assistant General Manager at the time of the research, was also awarded by Andromeda Hotels for initiating the project idea and for being the prime engineer and driver of the initiative, which became an inspiration to other hotel properties in the company portfolio.

Innovative Behaviour Patterns

Initiation		Implementation
Proactive Idea Initiation	Idea Search and Association	Persuasion
The hotel Chief Engineer projected the significant economic and environmental sustainability benefits that could be realised by implementing the Energy Efficient Hotel project.	The Chief Engineer searched extensively for the relevant technology through attending conferences, exhibitions and researching specialist media.	The Chief Engineer persuaded both the hotel Executive Committee and the corporate management to invest in the project by demonstrating the retrieved benefits that could be realised, such as bill savings and environmental sustainability commitment.

(Table 5. 24: Innovative Behaviour Patterns, Energy Efficient Hotel)



### Determining Factors

Initiation		Implementation	
Management Procedures		Motivation	
Many <i>brainstorming</i> sessions were held throughout the Energy Efficient project involving the hotel Engineering Department and the external partner in the project, Galp Energia. The general purpose for arranging the <i>brainstorming</i> sessions was to involve other individuals to promote ownership of the project, and to generate contemporary ideas that may help develop the project idea further.		The Chief Engineer was highly motivated throughout the development of the project despite the lengthy time and complications involved. The main motivating factor for the Chief Engineer to accomplish this project was the sense of <i>job fulfilment</i> . The Chief Engineer also received a number of awards both from Andromeda Hotels and external bodies for his extensive efforts to accomplish this project.	

(Table 5. 25: Determining Factors, Energy Efficient Hotel)

### 5.7.2. Micro Case 2: Angolan Market Development

#### Description

The Sales Executive in Andromeda Hotel Lisbon projected increasing further revenue through targeting business customers in Angola; the west coast African country has experienced increasing economic growth due to oil and diamond production, and has maintained political stability following the end of the civil war. The former Portuguese colony has experienced remarkable economic prosperity across multiple sectors, and due to cultural and historic ties with Portugal it has become a prime target market for Portuguese businesses.

When initiating the idea of targeting the Angolan market, the Sales Executive and the Director of Sales Department worked together to develop the idea further, and after nearly six months of research and promoting the hotel property to Angolan travel agents and other business-to-business customers, the Sales Department successfully established a promising customer base and increased revenue.

#### Innovative Behaviour Patterns

Initiation		Implementation	
Idea Search and Association		Idea Moderation	Persuasion
The Sales Executive came across the idea while reading about the emerging economy of Angola in Portuguese specialist magazines.		The Sales Department Director assisted the Sales Executive in the research of the Angolan market opportunities and context by allowing the Sales Executive to take up this responsibility, and also by joining the initial exploration trip to Angola.	The Sales Executive utilised social acquaintance with the Sales Department Director to persuade him regarding the applicability of the idea. The Sales Executive also used his research skills for further persuasion by projecting financial returns from implementing the Angolan Market Development idea.

(Table 5. 26: Innovative Behaviour Patterns, Angolan Market Development)

### Determining Factors

Initiation		Implementation	
Management Procedures		Motivation	
The Sales Executive reported the idea of the Angolan Market project during a departmental meeting. <i>Brainstorming sessions</i> were additionally held, both at the Sales Department and Executive Committee levels, in order to develop the project idea.		The Sales Executive was mainly motivated by the sense of <i>job fulfilment</i> , being in his early twenties and considering the Angolan Market Development project as a key achievement. <i>Personal interest</i> also motivated the Sales Executive throughout the development of the innovation project idea.	

(Table 5. 27: Determining Factors, Angolan Market Development)

### 5.7.3. Micro Case 3: Monthly Cultural Agenda

The Monthly Cultural Agenda idea emerged through interaction with the hotel guests; the Guest Relations Agent 2 in Andromeda Hotel Lisbon, who originally initiated the idea, realised that it would be of a higher standard and more courteous towards the hotel guests to present information about local events and landmarks in an elegantly printed brochure (see Appendix 30). The information about the local surroundings and events was readily available, on the front desk computers or as printed notes, for the hotel guests who approached the Guest Relations desk for advice.

The Guest Relations Agent 2 prepared information about popular landmarks, restaurants, theatre plays, tourist activities, etc. for the hotel guests on a weekly basis; the Cultural Agenda was initially printed weekly as a basic document before it was designed and printed monthly with the help of the Marketing Department. The responsibility for the update and editing of the Cultural Agenda continued to be delegated to the Guest Relations Agent 2, who searched in the local media and online resources for regular updates.

### Innovative Behaviour Patterns

Initiation		Implementation	
Frontline Interaction		Persuasion	Idea Moderation
The Guest Relations Agent 2 initiated the idea of the Monthly Cultural Agenda through interacting with the hotel guests who approach the Guest Relations front desk for information about local sites or events. The Guest Relations Agent 2 reported the idea of the Cultural Agenda to the Front Office Director.		The Guest Relations Agent 2 utilised acquaintance with the Front Office Manager to persuade the department management of the applicability of the Cultural Agenda idea.	The Manager of the Front Office Department supported the development of the Cultural Agenda idea by working to attain the hotel Executive Committee and involving the Guest Relations Agent 2, who originally initiated the idea, in the design and preparation of printing the Monthly Cultural Agenda.

(Table 5. 28: Innovative Behaviour Patterns, Monthly Cultural Agenda)

### Determining Factors

Initiation		Implementation	
Management Procedures		Motivation	
The Guest Relations Agent 2 reported the idea of the Monthly Cultural Agenda during department meetings to the Front Office Manager as per the frontline interaction SOP (see Section 5.3.1 and Appendix 17).		The Guest Relations 2 Agent was mainly motivated by the factor of <i>job fulfilment</i> and the commitment to <i>improve the service standard</i> .	

(Table 5. 29: Determining Factors, Monthly Cultural Agenda)

### 5.7.4. Micro Case 4: Restaurants/Lobby Refurbishment

#### Description

The Refurbishment of Restaurants/Lobby project came in after the review of Mizar Prague Hotel property in light of the brand standards and the four star hotel guidelines; the hotel's physical structure had not undergone any modernisation for many years, and it seemed somewhat outdated to the hotel guests.

The previous General Manager of Mizar Prague Hotel, who was the main initiator of the project, worked closely with the head office of Andromeda Hotels and the interior designers delegated by the company to refurbish the furniture and fittings of the hotel lobby and restaurants in line with the standards of Andromeda Hotels. At the time of conducting the research, the refurbishment was not yet into the implementation stage, although the head office final approval of colours and design had already been attained (see Appendix 31).

#### Innovative Behaviour Patterns

Initiation		Implementation	
Frontline Interaction		Persuasion	
The continuous feedback from the hotel guests about the condition of the hotel property encouraged the previous hotel General Manager to initiate the idea of the Refurbishment project. Feedback from the hotel guests was reported through conventional guests' feedback means and online hotel review websites.		The previous General Manager, who is the General Manager of Andromeda Hotel Prague at present, utilised acquaintance with corporate management to attain the approval of the hotel property owners for the Refurbishment project.	

(Table 5. 30: Innovative Behaviour Patterns, Restaurants/Lobby Refurbishment)

### Determining Factors

Initiation		Implementation	
Management Procedures		Motivation	
Guests' remarks about the restaurants and lobby interior were collected through guest cards. Front Office employees also reported guests' remarks in accordance with the frontline interaction SOP (see Section 5.3.1 and Appendix 17).		The previous hotel General Manager was reportedly motivated by the need to <i>improve the service standards</i> .	

(Table 5. 31: Determining Factors, Restaurants/Lobby Refurbishment)

### 5.7.5. Micro Case 5: Private Sauna

#### Description

The Private Sauna consisted of private sessions in the leisure club sauna and steam rooms offered for families with children and closed group bookings; the booking of Private Sauna sessions included complementary fruits and refreshments for families and closed groups. The feedback from the hotel guests, including online travel advice sites, reflected wide contentment with the Private Sauna innovation.

The Private Sauna idea was initiated by the Marketing Coordinator who worked with the hotel General Manager and the Director of Sales and Marketing Department to develop the idea further. The Private Sauna sessions complemented other wellbeing and spa treatments that together with the fitness club facilities comprised a complete wellbeing experience that distinguished the hotel property.

#### Innovative Behaviour Patterns

Initiation		Implementation	
Proactive Idea Initiation		Persuasion	
The Marketing Coordinator initiated the Private Sauna after realising that a large proportion of guests using the health club facilities are families or couples, and therefore it would be more appropriate to have private sessions booked for these groups' convenience.		The Marketing Coordinator's acquaintance with the hotel General Manager and the Director of the clustered Sales and Marketing Department, that jointly managed Mizar Prague and Andromeda Prague hotels, helped in approving the Private Sauna idea.	

(Table 5. 32: Innovative Behaviour Patterns, Private Sauna)

### Determining Factors

Initiation		Implementation	
Management Procedures		Motivation	
The development of the Private Sauna idea was assisted by <i>brainstorming sessions</i> held at the clustered Department of Sales and Marketing.		The previous hotel General Manager was reportedly motivated by the need to <i>improve the service standards</i> .	

(Table 5. 33: Determining Factors, Private Sauna)

### 5.7.6. Micro Case 6: Non-Smoking Lobby/Restaurants

#### Description

The hotel Front Office received frequent complaints from the hotel guests about smoking in the hotel lobby and dining areas that could be excessive and disturbing during busy hours. The Front Office employees were frequently disturbed by excessive smoking and had reported their discontent to the Front Office Manager on several occasions.

During the time of the research, smoking in the hotel lobby and dining areas was already prohibited, except within Cafe Bar B in the opened terrace area since the spring season 2012 (see Appendix 42). However, new legislation came out in the Czech Republic in May 2013 that prohibited smoking in public areas, including indoor restaurants/cafes.

The hotel management was initially reluctant to approve the idea of prohibiting smoking due to the expected loss of income, considering that many of the hotel guests may prefer to go to the neighbouring shopping centre restaurants/cafes where there is no restriction on smoking. The hotel management eventually prohibited smoking in the hotel public areas but set up the terrace area in Cafe Bar B for smoker guests; the terrace area is reported to be contained and heated in the autumn/winter season for guests' convenience.

#### Innovative Behaviour Patterns

Initiation		Implementation	
Frontline Interaction	Mandatory Idea Generation	Persuasion	
The Front Office junior employees reported guests' complaints about smoking to the Front Office Manager.	The Front Office <i>junior employees</i> raised guests' complaints and expressed their own discontent with excessive smoking during department meetings.	The Front Office <i>junior employees</i> helped persuade the hotel management through grouping with other colleagues to forward repetitive requests to prohibit smoking in the hotel lobby and restaurants.	

(Table 5. 34: Innovative Behaviour Patterns, Non-Smoking Lobby/Restaurants)

### Determining Factors

Initiation		Implementation	
Management Procedures		Motivation	
The hotel guests reported their discontent with smoking in the hotel lobby and restaurants by filling in guest feedback cards. The Front Office junior employees also reported their own disturbance with excessive smoking along with guests' remarks according to frontline interaction SOP (see Section 5.3.1 and Appendix 17).		The Front Office junior employees were motivated to develop the idea of Non-Smoking Lobby Restaurants by the desire to <i>improve work conditions</i> .	

(Table 5. 35: Determining Factors, Non-Smoking Lobby/Restaurants)

### 5.7.7. Micro Case 7: Digital Menu

#### Description

The Digital Menu idea came up through the interaction with the hotel guests; the Information Technology Manager noticed numerous guests' remarks about the low lighting in Restaurant B, mainly by senior guests, where the general layout of Restaurant B was set to be more relaxing for afternoon and evening meals, and therefore the use of bright lighting was avoided. Some of the restaurant guests found it difficult to read the menu and regularly used their mobile phones to illuminate the menus.

The hotel IT Manager came across the Digital Menu idea while visiting an IT exhibition in Dubai; the menu is operated through a 9.7 inch tablet and features photographs, videos and detailed nutritional information of included items (see Appendix 43). The IT Manager further explained that the Digital Menu not only enables guests to read in low lighting, but also helps in verifying unfamiliar drinks or dishes; the guest would know what to expect after viewing the photographs or videos of the ordered item.

#### Innovative Behaviour Patterns

Initiation		Implementation	
Idea Search and Association		Persuasion	
The IT Manager frequently visits showcase exhibitions of IT technology and IT solutions for hotel properties where the idea of the Digital Menu was inspired by an Asian IT solutions provider participating in a showcase event in Dubai.		The IT Manager's acquaintance with the Chief Executive Officer of Andromeda Hotels, who previously worked in the company head office, helped in attaining approval for the Digital Menu idea. The company CEO reportedly had special interest in adopting innovative IT solutions to improve the service standards.	

(Table 5. 36: Innovative Behaviour Patterns, Digital Menu)

### Determining Factors

Initiation		Implementation	
Management Procedures		Motivation	
Restaurant B's guests reported their remarks on low lighting through guest cards, while the restaurant waiters/waitresses also reported the guests' remarks in line with the frontline interaction SOP (see Section 5.3.1 and Appendix 17).		The IT Manager was highly driven to initiate and develop the idea of the Digital Menu by the sense of <i>job fulfilment</i> . Personal interest in IT solutions for hotel properties was another factor that motivated the IT Manager to initiate the Digital Menu idea.	

(Table 5. 37: Determining Factors, Digital Menu)

### 5.7.8. Micro Case 8: Children's Welcoming Gesture

#### Description

The Guest Relations Manager initiated the idea of the Children's Welcoming Gesture to complement the existent procedure for welcoming family guests arriving with their children. The SOP for receiving guests accompanied by their children entailed providing children with toys/gifts in the guests' rooms and giving them chocolate or sweets upon their arrival.

The Guest Relations Manager aimed to provide a higher standard of service by performing a genuine welcome to hotel guests with children; therefore, instead of providing children with ordinary sweets or chocolate, the welcoming gesture would be offering children specially made muffins, in attractive shapes and colours, in order to exceed guests' expectations.

#### Innovative Behaviour Patterns

Initiation			Implementation		
Proactive Idea Initiation		Mandatory Idea Generation		Persuasion	
The Guest Relations Manager recognised that the previous procedure to welcome guests with children was rather primitive, and was already applied in lesser rated hotels, and therefore initiated the idea of the Children's Welcome Gesture to distinguish the hotel check-in service.		The Guest Relations Manager initiated the Children's Welcome Gesture idea in the <i>brainstorming sessions</i> held during the Front Office department meetings.		The Guest Relations Manager persuaded the Hotel General Manager with the idea of the Children's Welcome Gesture by outlining the opportunity to distinguish the hotel property for family guests through in-house preparation of pastry involving minimal expenditure.	

(Table 5. 38: Innovative Behaviour Patterns, Children's Welcoming Gesture)

### Determining Factors

Initiation		Implementation	
Management Procedures		Motivation	
The <i>brainstorming sessions</i> held during the Front Office departmental meetings assisted in initiating the idea of the Children's Welcome Gesture and developing the idea further into implementation.		The Guest Relations Manager was intrinsically motivated to initiate and develop the idea of the Children's Welcome Gesture by the sense of job fulfilment.	

(Table 5. 39: Determining Factors, Children's Welcoming Gesture)

### 5.7.9. Micro Case 9: Automated Accounting Template

#### Description

The Accounting Template is a Microsoft Excel format file that can electronically integrate all sales and revenue transactions from Opera, the hotel property management software, that have been logged in the hotel's points of sales. This process was previously conducted manually through scanning sales invoices, printouts and typing sales figures into Excel files, which takes many hours of work and may be subject to human error.

The Accountant, who originally initiated and developed the Accounting Template idea, realised that unnecessary time and effort could be saved by applying the automated Accounting Template. The Accountant came across, and helped in developing, the Accounting Excel Template while working previously in another company.

#### Innovative Behaviour Patterns

Initiation		Implementation	
Proactive Idea Initiation		Persuasion	
The Accountant experienced tedious effort and longitudinal working hours when manually uploading sales transactions to the Microsoft Excel file. The Accountant accordingly realised that considerable time and effort could be saved if the Automated Excel Template was applied.		The Accountant persuaded the Director of Finance to approve the idea of the Automated Accounting Template by demonstrating the enormous savings in time and effort that could be realised through implementing the idea.	

(Table 5. 40: Innovative Behaviour Patterns, Automated Accounting Template)



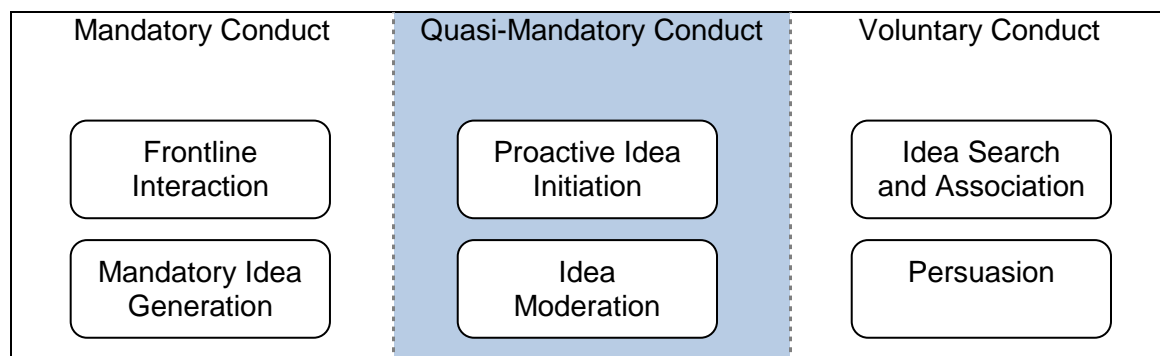
### Determining Factors

Initiation		Implementation	
Management Procedures		Motivation	
The Accountant raised the idea of the Automated Accounting Template during the Finance Department meetings.		The need to improve work procedures highly motivated the Accountant to initiate the idea of the Automated Accounting Template.	

(Table 5. 41: Determining Factors, Automated Accounting Template)

## 5.8. Concluding Remarks

The inconsistency in the nomenclature denoting *service employees' innovative behaviour* in previous literature is clearly reflected on management and employees' connotations describing service innovation where respondents revealed incoherent understanding of innovation and innovative conduct. *Service employees' innovative behaviour*, however, directly resulted in initiating and developing ideas into innovations. Three main categories of *service employees' innovative behaviour* emerged, based on the outcome of analysing the research data, as mandatory, quasi-mandatory and voluntary conduct that implicated six *innovative behaviour patterns* (see Figure 5.3).



(Figure 5. 3: Categories of Service Employees' Innovative Behaviour Patterns)

In addition, *service employees' innovative behaviour* was revealed to be influenced by contextual determining factors; both *management procedures* and *motivation* factors were recognised to be of direct influence on *innovative behaviour*. Further investigation of the micro case studies of innovations that have been implemented indicated consistent evidence on *innovative behaviour patterns* and *determining factors*.

## 6. Chapter Six: Discussion of Research Findings

### 6.1. Introduction

This chapter reviews the findings of the research in relation to the research objectives earlier delineated in Chapter One (see Section 1.3). The chapter consists of three parts: the initial part, divided into subsections representing the research objectives, discussion of the nature and impact of *service employees' innovative behaviour* in reference to the previous literature, and identifying the unique features and strategic contribution of employees' *innovative behaviour*.

The next part highlights the impact of influencing factors in encouraging or inhibiting *service employees' innovative behaviour*. In the final part of this chapter, a cross-case comparison is made to identify similarities and differences between the three researched case studies per each theme of data analysis.

### 6.2. Objective One: *To analyse and critique the literature relevant to service employees' innovative behaviour*

There is no doubt that in the last decade the number of publications concerned with managing service innovation increased rapidly, and the study of service innovation emerged as an important research field (IFM and IBM, 2008; Menor and Roth, 2007). Increased customer expectation and demand for customised products and services (D'Alvano and Hidalgo, 2011), the transition of the global economy from product-oriented to service or solution-oriented (Chesbrough and Spohrer, 2006; Sheehan, 2006) and that in developed economies manufacturing companies are increasing their revenues through integrative services which combine both products and services (Araujo and Spring, 2006), were commonly considered to have added interest in *Service Innovation*. Yet, compared to the industrial manufacturing sector, there is considerable paucity in the literature concerning the organisation and management of service innovation (Adams *et al.*, 2006; Drejer, 2004; Miles, 2000; Nijssen *et al.*, 2006; Spohrer, 2008; Tidd *et al.*, 2001) and that this research area has not been systematically understood (Essen, 2009).

The management of service innovation is frequently compared and contrasted with the management of product innovation (Droege *et al.*, 2009), and accordingly four schools of thought emerged from the literature on service innovation (Droege *et al.*, 2009); firstly, under the *technologist* approach service innovation is concluded to be dependent on technological competence gains and development in information technology (Barras, 1986, 1990). Secondly, the *assimilation* perspective assumes that the theories and concepts developed in manufacturing contexts can easily be transferred to innovation in services (Coombs and Miles, 2000; Drejer, 2004; De Vries, 2006; Nijssen *et al.*, 2006). The *synthesis* approach, thirdly dedicates more effort to draw together innovation in both services and manufacturing sectors rather than studying each field separately (Gallouj and Weinstein, 1997; Coombs and Miles, 2000; Nightingdale, 2003; Drejer, 2004; Howells, 2006; Nijssen *et al.*, 2006), after illuminating the important elements of service innovation such as the involvement of customers (Sanden *et al.*, 2006). Fourthly, the *demarcation* perspective focuses on the distinctive features of services that make it difficult to transfer theories from the manufacturing to the services sector (Droege *et al.*, 2009).

When conducting this research, the *synthesis* perspective was adopted based on (1) the dominance of service orientation within the hotel service implicating a higher level of intangibility and perishability; (2) the difficulty in separating between what is unique to the service sector in the management practices observed and employees' intentions to conduct *innovative behaviour*; and (3) the applicability of innovation theories developed indiscriminately within the manufacturing sector at the employees' individual level.

By adopting the *synthesis* approach in this research and in consideration of the role of employees in initiating service innovation (Sundbo, 2008), theories underpinning *employees' innovative behaviour* developed within both service innovation and the innovation management literature at large were applied as a theoretical framework to guide the exploration of *employees' innovative behaviour* in the three case studies researched; theories from both areas were compared against the encountered *employees' innovative behaviour*. The behavioural perspective (Janssen, 2000) of employees' individually driven innovation was originally derived from the social/organisational psychology literature, and at its early stages of development it was extrapolated to the management literature. As reviewed in Section 2.5, two parallel

approaches emerged in the innovation management literature denoting the behaviour aspect of innovation: *innovative work behaviour* IWB (Axtell *et al.*, 2000; Janssen, 2000; Dorenbosch *et al.*, 2005; Ramamoorthy *et al.*, 2005) and *individual innovative behaviour* IIB (Kleysen and Street, 2001; de Jong and Kemp, 2003). Although the behavioural perspective is highly acknowledged in this research, it is advocated that an alternative terminology should be derived to describe *employees' innovative behaviour* in the service sector exclusively, and therefore the concept of *service employees' innovative behaviour* is applied specifically for the service sector. The reasons for adopting an alternative terminology are as follows. Firstly, the concepts of IWB and IIB have been examined primarily in the manufacturing organisations' context, and the peculiarities of services may not have been addressed when developing both concepts. Secondly, a distinguished concept is required for the service sector to encompass individual-based interactions and the complex relationships between employees and other actors within the service delivery environment. Thirdly, the application of a unique concept to the service sector may help overcome the present inconsistency in expressions denoting employee-driven innovation across the service industry literature.

Despite the wide acceptance of employees' contribution to service innovation, there has been little understanding in the earlier research of the relationship between employees' roles and service innovation, which implicates a considerable paucity in research on employee-driven service innovation. In fact, the employees' role in service innovation has been studied inconsistently in terms of creativity, frontline employees' participation, service encounter-based innovation, innovative behaviour, knowledge acquisition and sharing and motivation (see Table 2.9 Reviewed below), reflecting a lack in theoretical uniformity to determine employee-driven service innovation. Additionally, there seems to be a strong tendency in the literature towards linking employees' participation in service innovation with creativity.

Paradigm	Author(s)	Assessment Method	Findings
Creativity	Hsu <i>et al.</i> (2011)	Longitudinal research of 340 hospitality service employees. Effective sample reduced to 120 respondents of a survey questionnaire.	<ul style="list-style-type: none"> <li>• The study revealed that employees with a high level of creative self-efficacy demonstrate a high level of innovative behaviour at work. Optimism was also found to play a moderating role without direct effect on employees' innovative behaviour.</li> </ul>
Frontline Employees' Participation	Slåtten <i>et al.</i> (2011)	Hypothesis testing survey questionnaire method of 72 hotel frontline employees was conducted.	<ul style="list-style-type: none"> <li>• Findings indicated a strong relationship between frontline cognitive creativity production of novel ideas and the behavioural implementation of these ideas.</li> <li>• Empirical findings indicated that both empowering leadership and a humorous work climate trigger frontline service employees' creativity.</li> </ul>
Service Encounter-Based Innovation	Sørensen <i>et al.</i> (2013)	Comparative case study research of 11 Scandinavian service organisations through semi-structured qualitative interviews and observation.	<ul style="list-style-type: none"> <li>• Findings highlighted two types of innovation processes depending on frontline employees' creativity as practice-based and directed innovation, and determined a complementary relationship between the two.</li> <li>• Findings identified the enabling factors of <i>front office innovation climate</i> and the <i>organisational support system</i> as antecedents of <i>service encounter-based innovation</i>.</li> </ul>
Innovative Behaviour	Tuominen and Toivonen (2011)	Comparative case study research of three knowledge intensive business service (KIBS) companies including 31 semi-structured interviews.	<ul style="list-style-type: none"> <li>• Findings identified Kleysen and Street's (2001) five types of innovative behaviour; in the context of studied companies: opportunity recognition, generativity, championing, formative investigation and application.</li> <li>• Findings highlighted different incentives and innovative behaviour patterns depending on organisational level and empowerment.</li> <li>• Findings highlighted the ancillary role of knowledge to individual innovative behaviour and further identified two types of knowledge as prior and dependent knowledge.</li> <li>• The study revealed four types of individual innovative behaviour patterns: formal knowledge acquisition and knowledge integration, and informal knowledge acquisition and integration.</li> </ul>
	Edghiem (2014)	Comparative case study research of two hotel properties through multiple qualitative methods including semi-structured interviews and observation.	
Motivation	Slåtten and Mehmetoglu (2011)	Hypothesis testing survey questionnaire method of 158 hotel frontline employees in Norway was conducted.	<ul style="list-style-type: none"> <li>• Results revealed that employees' creativity is a key driver for innovative behaviour with company empowerment practices, familiarity with company vision and employee commitment strongly related to employee creativity.</li> </ul>
	Cadwallader <i>et al.</i> (2010)	Study of 16 dealerships through hypothesis testing survey questionnaire of 328 frontline employees.	<ul style="list-style-type: none"> <li>• Introduced hierarchical conceptualisation model of motivation of frontline service employees' to participate in innovation implementation at three levels: global, contextual and situational.</li> </ul>

(Studies Highlighting Employees' Role in Service Innovation; Table 2.9 Reviewed)

The absence of a precise definition of *service employees' innovative behaviour* in academic research is equally identified in management practice. Theoretical underpinning of *innovative behaviour* in the service sector is at its early stages of development, and this is most likely reflected as inconsistency in defining *innovative behaviour* in academic literature and management practice alike. As depicted in Table 6.1, the respondents' comprehension of *innovative behaviour* was widely diverse.

Andromeda Hotel Lisbon		
Senior Management	Training and Quality Manager	<i>Exceeding Guests' Expectations</i>
	Food and Beverage Director	<i>Problem Solving</i>
	Security Manager	<i>Employee Effectiveness</i>
	Food and Beverage Director	<i>Proactivity</i>
	Training and Quality Manager	<i>Related to Corporate Values</i>
Middle Management	Sales Executive	<i>Market Development</i>
	Housekeeping Supervisor	<i>Service Excellence</i>
	Porter Supervisor	<i>Efficiency</i>
	Level 2 Interviewee	<i>Additional and Time Consuming</i>
Junior Employees	Waitress	<i>Improving Work Conditions</i>
	Guest Relations Agent	<i>Individually Determined</i>
Mizar Prague Hotel		
Senior Management	Front Office Manager	<i>Change in Job Roles</i>
	Food and Beverage Director	<i>Renovation of Physical Structure</i>
	Head Chef	<i>Improving Work Procedures</i>
	Sales Manager	<i>Business Development</i>
	Level 1 Interviewee	<i>Culturally Incompatible</i>
Middle Management	Health and Safety Manager	<i>Business Development</i>
	Front Office Assistant Manager	<i>Employees' Effectiveness</i>
Junior Employees	Waitress	<i>Guest Orientation</i>
	Marketing Coordinator	<i>Problem Solving</i>
Andromeda Hotel London		
Senior Management	Front Office Manager	<i>Pre-Opening Arrangements</i>
	Executive Housekeeper	<i>Problem Solving</i>
	IT Manager	<i>Smoothing Operations</i>
Middle Management	Middle East and Diplomatic Sales Manager	<i>Pre-Opening Arrangements</i>
	Human Resources Manager	<i>Cost Reduction</i>
	Conference and Events Manager	<i>Exceeding Guests' Expectations</i>
	Banqueting Operations Manager	<i>Surprising Guests</i>
	Head of Concierge	<i>Application of New Technology</i>
	Head Therapist	<i>Ongoing Change</i>
	Human Resources Talent Officer	<i>Improving Work Procedures</i>
Junior Employees	Concierge	<i>Improving Work Procedures</i>

(Table 6. 1: Respondents' Perceptions of Innovation and Innovative Behaviour)

### 6.3. Objective Two: To evaluate the nature and impact of service employees' innovative behaviour

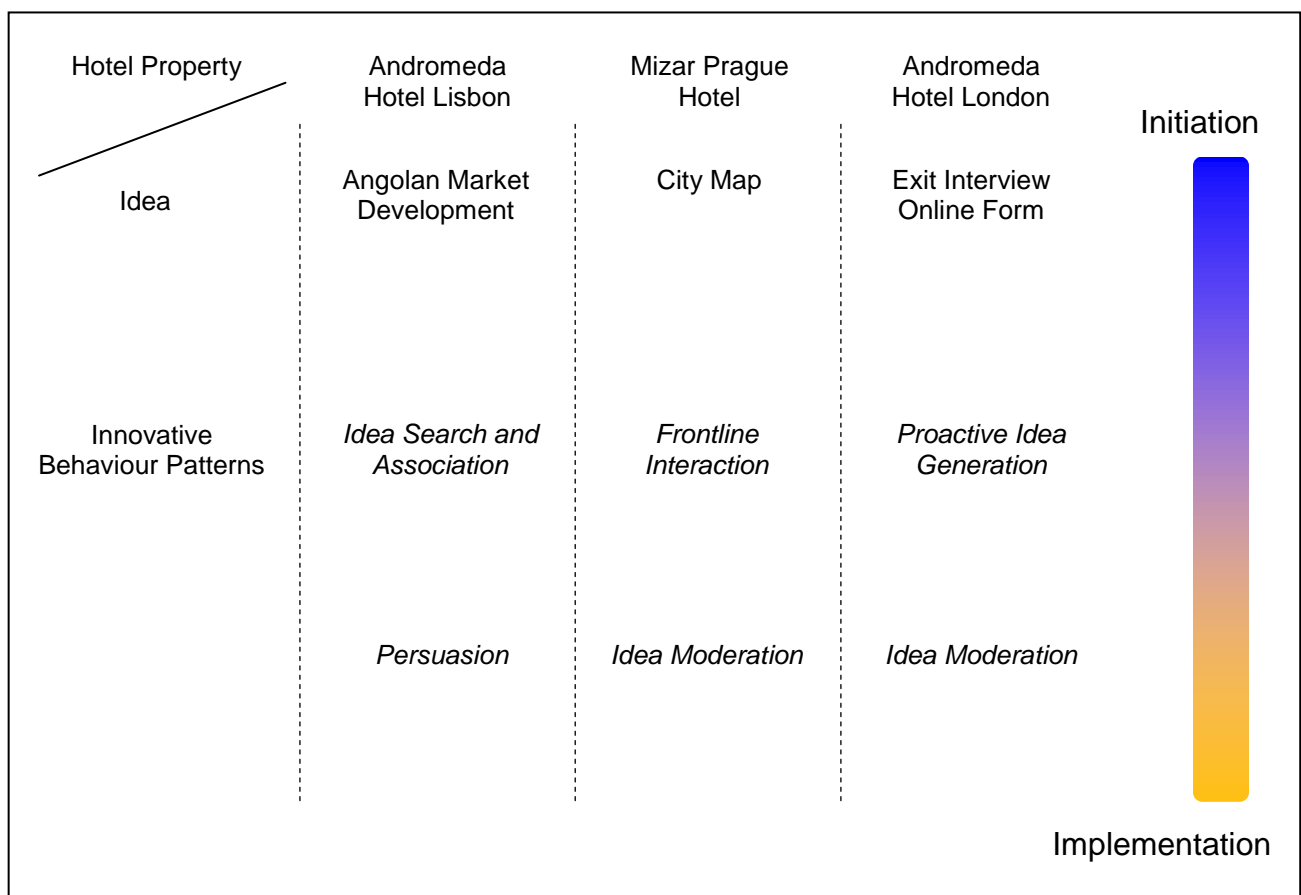
Previous research defined *individual innovative behaviour* as the multidimensional extra-role of *innovative behaviour* beyond the scope of job requirements and which is important for organisations' survival through initiating innovation (Tuominen and Toivonen, 2007). Although this research recognises the multidimensional attribute of *innovative behaviour patterns*, it also adopts a resolute approach in aiming to explore *innovative behaviour patterns* related to the interlinked process of idea generation and development. The justification for this is that *innovative behaviour* in the service sector is very much empirically under-explored and it would be almost impossible to explore multiple aspects of *innovative behaviour* when taking into account the research resources and time frame. Another reason is the recurrence of *innovative behaviour patterns* related to idea generation and development during the data collection stages.

Despite confining the research aim to exploring employees' *innovative behaviour* related to idea generation and development, the research outcome revealed six patterns of *innovative behaviour* falling within three categories of *Mandatory*, *Quasi-Mandatory* and *Voluntary Conduct* (see Figure 5.3 reviewed below). At one end of the continuum, *Mandatory Conduct* denotes *individual innovative behaviour* that was manipulated by management arrangements and procedures, while at the middle range, where employees' *Mandatory* and *Voluntary innovative behaviour* may overlap, *Quasi-Mandatory Conduct* corresponds to *innovative behaviour* that is not directly mandated by management but still refers to the application of formal procedures to initiate or develop ideas into innovations. At the other end of the continuum, *Voluntary Conduct* represents the set of *innovative behaviour patterns* electively conducted by employees to initiate and develop ideas into innovations.

Mandatory Conduct	Quasi-Mandatory Conduct	Voluntary Conduct
<div>Frontline Interaction</div> <div>Mandatory Idea Generation</div>	<div>Idea Moderation</div> <div>Proactive Idea Initiation</div>	<div>Idea Search and Association</div> <div>Persuasion</div>

(Categories of Service Employees' Innovative Behaviour Patterns; Figure 5.3 Reviewed)

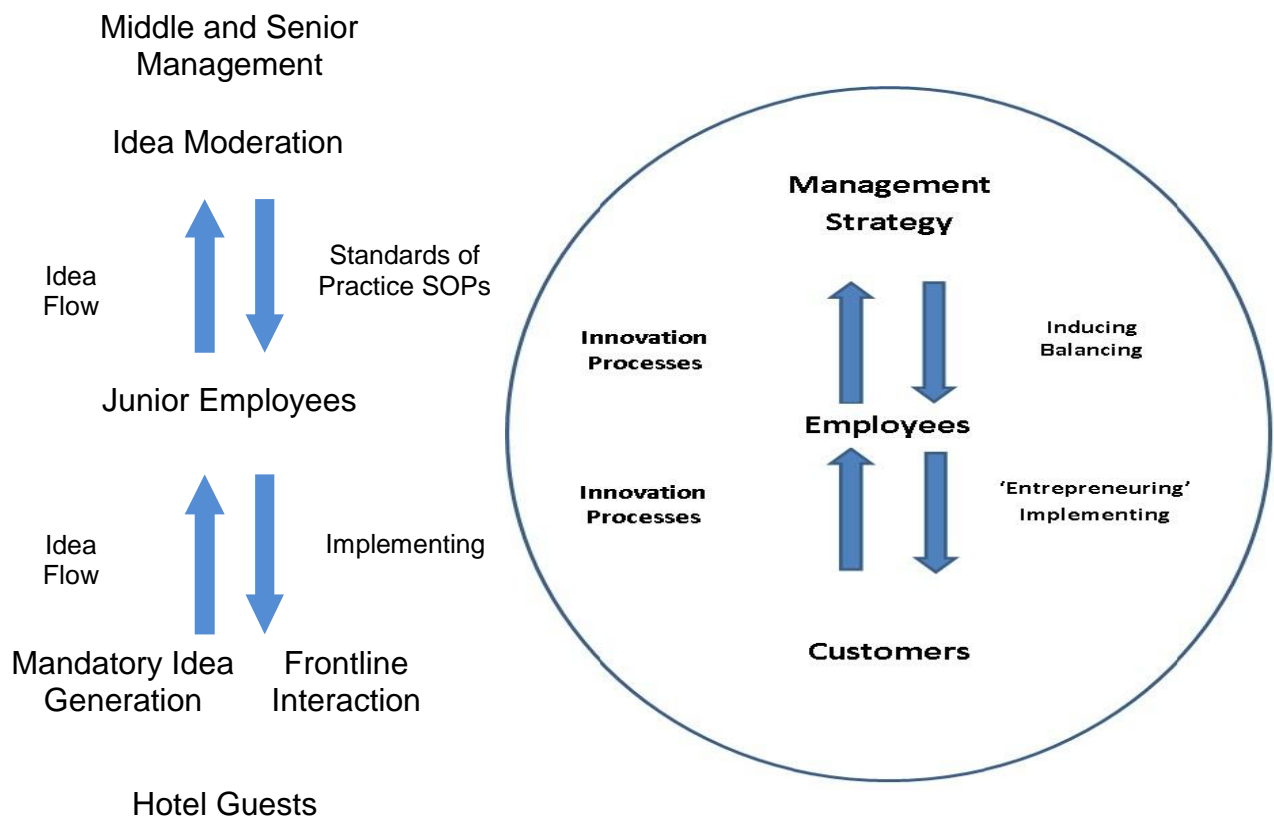
Depending on the research outcome, the nature and impact of *service employees' innovative behaviour* can be determined in two ways, in terms of *process* and *outcome* perspectives. Under the *process* dimension the nature of *individual innovative behaviour patterns* are revealed to progress sequentially, where some patterns occur in combination with other patterns, without systematically following the same order every time. More particularly, the *innovative behaviour patterns* of *idea moderation* and *persuasion* are typically preceded by the patterns of *frontline interaction*, *mandatory idea generation*, *proactive idea initiation* or *idea search* (see Figure 6.1). Dissimilar to the linear frameworks of *innovation behaviour*, i.e. the activity-stage model (Kleysen and Street, 2001) and the simplistic model of innovation initiation and implementation (Zaltman *et al.*, 1973; Axtell *et al.*, 2000), where the first stage ends with the production of an idea and the second stage ends as soon as an idea is implemented (King and Anderson, 2002), this was applied in this research as an analytical tool only.



(Figure 6. 1: Examples of Innovative Behaviour Patterns Combined)



From another perspective and in relation to the *process* dimension, the research outcome highlighted the complementary relationship between frontline **junior employees** and **middle** and **senior management's innovative behaviour**. Respectively, the research findings accentuate the co-creation feature of service innovation that substantiates communication between employees and customers (Sundbo and Toivonen, 2011) in terms of generating ideas that can lead to innovations (Rubalcaba *et al.*, 2012). Similar to the strategic innovation model (Sundbo, 2008b), depicted in Figure 6.2, the research finding identifies the strategic contribution of frontline **junior employees** in bridging ideas between the end user of the service and both **middle** and **senior managers**.



(Figure 6. 2: Replication of the Strategic Innovation Model; adapted from Rubalcaba *et al.*, 2012)

Under the *outcome* dimension, contrastingly, the research findings reveal the strategic contribution of **service employees' innovative behaviour** in initiating innovation where 48 out of seventy innovative ideas were identified throughout the three researched case

studies to have materialised into innovations as a direct result of *employees' innovative behaviour* (see Table 6.2). Essentially, not all ideas or *innovative behaviour* should necessarily turn into a form of innovation due to contextual determinants or restrictions.

Hotel Property	Implemented	Not Implemented
Andromeda Hotel Lisbon	<ul style="list-style-type: none"> <li>▫ Free Internet Access</li> <li>▫ Room Amenity Upgrade</li> <li>▫ Late Breakfast</li> <li>▫ Change Room Turn Down Service Time</li> <li>▫ Lost Items' Procedure</li> <li>▫ Cultural Agenda</li> <li>▫ Oriental Meal for Returning Far Eastern Guests</li> <li>▫ VIP Guests' Arrival Welcome Gesture</li> <li>▫ Guest Emergency Assistance</li> <li>▫ Food and Beverage Cost Control</li> <li>▫ Cappuccino Machines</li> <li>▫ Returning Guest Tailored Menu</li> <li>▫ Room Wiring System</li> <li>▫ Men's Grooming</li> <li>▫ Hygiene and Safety Report Summary</li> <li>▫ Guest Arrival Luggage Tag</li> <li>▫ Food and Beverage Flyer</li> <li>▫ Angolan Market Development</li> <li>▫ Thematic Terrace Lounge</li> </ul>	<ul style="list-style-type: none"> <li>▫ Name for Staff Canteen</li> <li>▫ Front Office Telephone</li> <li>▫ Hotel Brand Luggage Sticker</li> </ul>
Mizar Prague Hotel	<ul style="list-style-type: none"> <li>▫ Shuttle Service</li> <li>▫ Concierge Book</li> <li>▫ Excel Template</li> <li>▫ City Map</li> <li>▫ Kitchen Refurbishment</li> <li>▫ Parking Spaces</li> <li>▫ Hot Water Charge</li> <li>▫ Terrace Lighting</li> <li>▫ Private Sauna</li> <li>▫ Sales Software Upgrade</li> </ul>	<ul style="list-style-type: none"> <li>▫ Spare Restaurant Ware</li> <li>▫ Internal Newsletter</li> <li>▫ Replacing Rooms' Mini Bars with Vending Machines</li> <li>▫ Terrace Cafe</li> <li>▫ Lunch Buffet</li> <li>▫ Executive Lounge Additions</li> </ul>
Andromeda Hotel London	<ul style="list-style-type: none"> <li>▫ GoConcierge Software</li> <li>▫ Name Memorising Techniques</li> <li>▫ Door Magnet</li> <li>▫ Food and Beverage Suppliers' Showcase</li> <li>▫ Staff Fixed Room Booking Rate</li> <li>▫ Bike Rack</li> <li>▫ Female Shower Bench</li> <li>▫ Storage Vaults</li> <li>▫ Exit Interview Online Form</li> <li>▫ Designated Spa Room</li> <li>▫ Children's Welcome Gesture</li> <li>▫ Early Room Linen Shift</li> <li>▫ Engraved Wedding Knife</li> <li>▫ 24 Hour Check In/Out</li> <li>▫ Room Service Card</li> <li>▫ Electronic Human Resources Magazine</li> <li>▫ Accounting Template</li> </ul>	<ul style="list-style-type: none"> <li>▫ Porters' Uniform</li> <li>▫ iPad Check In</li> <li>▫ iPad Menu</li> <li>▫ Room Virtual Control System</li> </ul>

(Table 6. 2: Innovations Initiated through Individual Innovative Behaviour)

Another disclosed strategic contribution of *service employees' innovative behaviour* is to generate contemporary innovative ideas in accordance with the local environment. In this respect, the ideas and innovations encountered were connected to the local service environment settings; each hotel property studied implicated complex business relationships and local social, cultural and political traditions (McAteer, 2002). In view of the growing awareness of customer-centric service innovation (Vargo and Lusch, 2004b) as a critical success factor, it would expectedly be difficult for the corporate management of Andromeda Hotels to take accurate and guest-centric decisions on innovation without relying on local management and *employees' innovative behaviour*.

#### **6.4. Objective Three:** *To determine and evaluate the influence of contextual factors affecting service employees' innovative behaviour*

In acknowledgement of the *service system* proposition (Spohrer *et al.*, 2007; Maglio *et al.*, 2009; Lusch *et al.*, 2010) that recognises the co-creation of service innovation by multiple actors, relationships and resources in a specific service context (Michel *et al.*, 2008), the research outcome adds to previous research in which the character and significance of factors influencing *innovative behaviour* were not sufficiently explored. The research findings reveal the implications of contextual determining factors that influence *service employees' innovative behaviour* and further recommend that it should not be studied without consideration of these contextual factors. Two main categories of determinant factors have been identified that either enable or even inhibit *innovative behaviour* and the development of ideas along the *initiation–implementation* continuum.

*Management procedures* as one category of determinant factors helped facilitate employees' *innovative behaviour* throughout the three cases researched. Although part of the *management procedures* directly mandated *innovative behaviour patterns* among employees, other identified *innovative behaviour patterns* were not directly mandated but were still facilitated through *management procedures*. The fact that *innovative behaviour* is an undefined job requirement added a further challenge to management efforts to implement *management procedures* to mandate *innovative behaviour*. Some employees proved that they responded effectively to *management procedures* by generating *innovative ideas*, compared to other employees who did not respond efficiently to

*management procedures* for the reasons that (1) there were no clear guidelines to oblige employees to conduct *innovative behaviour*, (2) and that managers did not equally appreciate and encourage *innovative behaviour* among employees.

The three researched cases are part of a multinational corporate management portfolio of hotel properties where the local management is administered by a combination of socialisation, *formalisation* strategies (see Section 2.6), in the form of implementing corporate SOPs and promoting corporate values (see Appendices 10 and 13), in addition to occasional corporate managers' visits, resembling direct intervention through moderate corporate management. This adds a further challenge in delegating the appropriate level of authority to the local hotel property management to mandate *innovative behaviour* and eventually implement innovative ideas. Provided that *management procedures* to mandate *innovative behaviour* ultimately aim to bring about innovation that most likely results in a change in procedures or standards, a certain level of authorisation to the local hotel management is preconditioned to enable and implement the innovations that are the outcome of *mandated innovative behaviour*. In essence, the comprehension of local contextual complexities by the local hotel management adds advantage through assisting in making informed decisions in regards to innovation when combined with the appropriate level of authorisation.

*Motivation* was recognised as the *second* category of factors determining *service employees' innovative behaviour*. The research outcome further reveals both motivating and de-motivating factors in contrast with previous research that dealt with factors de-motivating service employees, and mainly focused on the overload of work responsibilities and stress that frontline service employees have to tolerate and that had been commonly associated with service employees' *burnout* since the 1970s (Walters and Raybould, 2007).

Motivating factors emerged as key determinants of *innovative behaviour* and can be subdivided into management reward systems and self-comprehended intrinsic motivating factors; the management reward system was originally designed to incentivise employees' performance leading mainly to increased guest satisfaction or collaborating effectively with other colleagues, except that there may still be some noticeable relevance between the management reward system and encouraging employees'

*innovative behaviour*. Management reward recognises *innovative behaviour* leading to guests' approval and since rewards are dependent on employees' nominations, it would be expected that management reward also recognises *innovative behaviour* resulting in a favourable outcome for other work colleagues. The relationship between the management reward system and employees' *innovative behaviour* remains subtle and indistinct, most likely due to the absence of a clear definition of *service employees' innovative behaviour* in management practice.

The other subcategory of motivating factors was intrinsically determined by respondents and resembled a multiple set of self-comprehended incentives. The research outcome revealed the character of intrinsic motivating factors in line with both the *process* and *expectancy* theories of motivation (see Section 2.7); intrinsic motivating factors varied in nature and impact depending on the context of the hotel property service environment, as in the *process* theory, and also on one or multiple individual conceptions and expectations of the outcome realised through conducting *innovative behaviour*; as suggested by the *expectancy* theory of motivation which argues that motivation depends on collective expectations of valued outcomes (valence) that could be achieved through specific efforts.

Conversely, intrinsic de-motivating factors inhibited employees' *innovative behaviour* and varied in nature and influence upon employees. The research highlighted the prevailing effect of *management cynicism* among other detected de-motivating factors which draws attention to the interlinked relationship between *innovative behaviour* and the cooperation of management in creating a permissible context for *innovative behaviour*. In turn, attempting to limit the effect of intrinsic de-motivating factors, such as *management cynicism* or the absence of service-oriented culture that are caused by management intervention would be expectedly challenging.

## **6.5. Objective Four: To compare and contrast between employees' innovative behaviour and the impact of contextual factors within the three researched case studies**

### **6.5.1. Attitudes towards Innovation Conduct**

The research findings revealed commonly a variant comprehension of service innovation when comparing respondents' conceptions from the three researched cases and how service innovation has been conceptualised in academic research. The respondents' views on *innovative behaviour* similarly reflected asymmetric conceptions that varied from one individual to another. Yet, at the **senior management** level widespread awareness of the advantage realised through implementing innovation was detected in the two cases of the Andromeda Hotels in Lisbon and London.

At the **senior management** level, *innovative behaviour* was frequently related with guest-oriented conduct in the case of Andromeda Hotel Lisbon, such as *surprising guests* or *exceeding guests' expectations*, *problem solving* and *employees' effectiveness* or *proaction*; while in the two other cases *innovative behaviour* was commonly perceived to be management-oriented, such as *change in job roles*, *renovation of physical structure*, *improving work procedures* and *business development* in Mizar Prague Hotel, and as *pre-opening arrangements and design*, *problem solving* or *smoothing operations* in Andromeda Hotel London. A less favourable view by a Level 1 respondent in Mizar Prague Hotel questioned the feasibility of promoting *innovative behaviour* conduct among employees due to *cultural incompatibility*.

At the **middle management** level, attitudes towards innovation reflected multiple orientations that related innovation with *service excellence* in the Lisbon case, and then similarly associated with *market/business development* and *employees' efficiency* and *effectiveness* in the other two cases of the Mizar Prague and Andromeda London hotels. Less optimistically in the case of Andromeda Hotel Lisbon, a Level 2 interviewee also described idea generation as *additional and time consuming* conduct. In the case of Andromeda Hotel London, *innovative behaviour* was connected with *exceeding guests' expectations*, but the respondents' conceptions of innovation reflected more tendencies towards management-orientation such as the expressions *pre-opening arrangements*, *cost reduction*, *application of new technology* and *ongoing change*.

**The junior employees** similarly tended to reflect a self-beneficial view of *innovative behaviour* in the three researched cases, through expressions such as *improving work conditions*, *individually determined conduct*, *problem solving* and *improving work procedures*. Innovation was still recognised to be embedded in *guest orientation* by a **junior employee** in the case of Mizar Prague Hotel.

### 6.5.2. Frontline Interaction

The direct interaction between the hotel frontline employees and guests was comparably substantiated by **middle** and **senior management** respondents of the three cases researched. It was recognised that employees at the operational level, i.e. the **junior employees**, **supervisors** and **line managers**, are directly dealing with guests' requirements or problems and are consistently exposed to contemporary ideas that may turn into innovations aiming to improve service standards or resolve guest problems. Moreover, Andromeda Hotels' corporate management regarded generating ideas through interaction with the hotel guests by initiating the SOPs (FFOEH:00:10 and FFORCI:00:07, see Appendix 17) to mandate employees' interaction with the hotel guests, and also by taking part in the pre-opening arrangements of Andromeda Hotel London, when the corporate executives and the company founder and CEO participated in the *Pop up Restaurant* events to collect the views and ideas of prospective guests (see Appendix 20).

While observing employees at the front office desks within the three cases, it was further recognised that the front office was the main contact point for the hotel guests to communicate their needs and requirements or to express dissatisfaction, as well as being the communication medium between the guests and other departments in the hotel. In this respect, the critical role of front office employees should be sufficiently regarded by managers as an effective method for collecting guests' contemporary ideas.

The research respondents in the case of Andromeda Hotel Lisbon demonstrated management dedication in encouraging frontline employees' interaction by firstly promoting a guest-oriented culture. Secondly, the front office divisions were reconstructed to be more guest-oriented, where the concierge division was replaced by the two divisions of guest services and guest relations. Similar acknowledgement by the

**senior** and **middle management** of the importance of frontline employees' interaction with the hotel guests to generate contemporary ideas was indicated in the other two case studies, while in the case of Mizar Prague Hotel, the **senior** and **middle management** respondents expressed that frontline **junior employees** are frequently reluctant to generate ideas through interacting with the hotel guests and provided two reasons for this: the first being due to the fact that many of the waiters/waitresses are contracted by recruitment agencies on a temporary basis, and therefore this may affect their commitment to the job role; the second reason being the absence of a service-oriented culture so that frontline employees would not expect to retrieve any value from generating contemporary ideas through interacting with the hotel guests. A Level 1 respondent in the case of Mizar Prague Hotel further referred to the cultural element that makes frontline employees become reluctant to report guests' ideas, as there would be no personal gain for such conduct.

Despite the observed reluctance of frontline employees to generate ideas through interacting with the hotel guests in the case of Mizar Prague Hotel, as when observing employees' interaction with guests in the hotel's restaurants and cafes, evidence still emerged indicating that frontline employees at the hotel Front Office interacted with guests and generated ideas for innovation through this interaction (see Table 5.2 in Section 5.3.1.2). In comparison, while observing frontline employees in the other two cases it was noticed that more commitment for guest interaction was dedicated, and evidence of innovations that were initiated by ideas developed through the interaction between the hotel guests and frontline employees consistently emerged (see tables 5.1 and 5.3 in sections 5.3.1.1. and 5.3.1.3).

### 6.5.3. Mandatory Idea Generation

Multiple mandatory methods to stimulate *idea generation* were similarly implemented within the three researched cases. The applied methods mainly intended to encourage employees to generate ideas to improve service procedures or working conditions and, in reaction, the employees responded positively but inconsistently depending on contextual determinants.

The *Idea Box* was equally applied as a method to collect employees' ideas on improving service procedures or issues related to the work environment. In 2008, the *Idea Box* was



launched as the *Bright Ideas* initiative in Andromeda Hotel Lisbon, but soon failed to achieve its objectives and was therefore terminated; while in the case of Mizar Prague Hotel the employees' responses to this method were limited and the *Idea Box* was likewise withdrawn soon after it was introduced. The commonly stated reason for the failure of the *Idea Box* in the cases of Andromeda Hotel Lisbon and Mizar Prague Hotel was that employees disbelieved that their ideas would be carefully considered by the management.

The *Idea Box* method was implemented differently in the case of Andromeda Hotel London, where it was used during campaigns to collect employees' ideas on a specific issue rather than to collect random ideas. In comparison with the other two cases, the *Idea Box* method achieved better results in Andromeda Hotel London, most likely because idea generation in this context was directly guided and monitored by the management.

*Brainstorming* was implemented during monthly departmental meetings and meetings of the HODs and was reported as another more effective means of generating ideas in the three cases researched. The main purpose of holding *brainstorming sessions* during monthly meetings is to improve service performance or review emergent issues, i.e. cost control, occupancy rate, guests complaints and so on, and then to attempt to generate ideas to address these emergent issues. At the department level, *brainstorming* was similarly organised by **senior managers** who aimed to encourage **middle managers** and **junior employees** to generate innovative ideas, except that not all **senior managers** were equally committed to encouraging idea generation. **Junior employees** reacted less effectively than **middle managers** in contributing with their ideas in *brainstorming sessions* due to their reluctance to share ideas in public and not expecting any prompt action upon reported ideas. In the case of Mizar Prague Hotel, the added factors for **junior employees'** unwillingness to effectively participate in *brainstorming sessions* were that in some departments **junior employees** preferred to report their ideas verbally to their direct managers, as they were hesitant to voice their ideas in public, and that some **junior employees** came from different nationalities and so due to the language barrier they were less committed to attending department meetings. The management of Andromeda Hotel London endeavoured to overcome the reluctance of

**junior employees** to report their ideas in departmental meetings with larger numbers of employees by dividing up attendees into smaller groups.

**The junior employees** expressed more enthusiasm towards the *brainstorming sessions* held by Valiant Hotelier, the employee training partner, in the two cases of Andromeda Hotel Lisbon and Mizar Prague Hotel. **Junior employees** reportedly felt more comfortable in sharing their ideas in a less formal environment and even anticipated that their ideas would be more likely to be considered by management after previously experiencing ideas being implemented when raised during Valiant Hotelier training sessions.

Other methods to direct *idea generation* were similarly applied in the cases of the Andromeda Hotels in Lisbon and London. The management of Andromeda Hotel Lisbon intended to generate ideas through *quality champions*; each department appointed a *quality champion* to monitor guests' satisfaction, quality reports and represent the department in quality meetings. Equally, in the case of Andromeda Hotel London *idea generation* was directed through the *consultative committee* which is attended by representatives from each department, where a representative collects relevant department ideas and eventually presents these ideas in the committee meeting. Additionally, the Executive Committee of Andromeda Hotel London launched the *Good to Great* initiative with the aim of improving performance after the review of the IQ Report<sup>1</sup> results, where each department should present suggestions on how to achieve better results in the IQ Report to the hotel Executive Committee.

#### 6.5.4. Idea Moderation

Amid the *idea initiation–implementation* continuum (Zaltman *et al.*, 1973; Axtell *et al.*, 2000) of innovative ideas' development, **middle** and **senior managers** determine the progression of ideas into implementation. Comparably, throughout the three cases researched, the **middle** and **senior managers** conducted *idea moderation behaviour* in the form of approving idea applications, helping develop the idea or contrastingly dismissing an idea before progression. Managers acted within the remit of authority

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<sup>1</sup> IQ Report: the report on practice defined performance indicators. The IQ Report provides the hotel management with multiple-sourced feedback of guest's experience integrated in an electronic report format.

mandated by their job roles to make personal judgements of the applicability of ideas, which reflects the *quasi-mandatory* characteristic of *idea moderation behaviour* that depends on individual judgement but still requires a certain level of authority to mandate ideas' progression.

Another distinctive characteristic of *idea moderation behaviour* detected was that *idea moderation behaviour patterns* do not occur unless preceded by other forms of *innovative behaviour*. Most certainly, **middle** and **senior managers** either react negatively by dismissing the idea or positively respond by adopting the idea, considering it for further assessment and helping progress the idea to application after being initiated through *frontline interaction*, *mandatory idea generation* or *proactive idea generation behaviour*. However, the responsibility to develop the idea is likely to transcend to **middle** and **senior managers** after it has been reported by **junior employees**, which implies limiting **junior employees'** involvement in developing an idea at later stages into innovation. Only in one scenario was it recognised that the involvement of a **junior employee** continued after reporting the initial idea; the Guest Relations Agent retained the ownership and commitment to develop the idea of the Cultural Agenda along with managers after initially reporting the idea (see Micro Case 3). In contrast, approving ideas that were initiated by **junior employees** who worked in the service frontline without further amendment was least evident in the case of Mizar Prague Hotel.

Determinants of *idea moderation behaviour* were identified throughout the three researched cases, such as managers' experience and judgement of the applicability of ideas, cost restrictions and anticipated return from implementing the idea, as well as compliance with corporate SOPs. Another determinant detected specifically in the case of Mizar Prague Hotel was that an inherited resistance to change discouraged some managers from accepting new ideas. By contrast, in the case of Andromeda Hotel London due to the recent opening of the hotel property in April 2011, **middle** and **senior managers** received tolerantly continuous change and innovation and tended to be ready to consider initiatives aiming to set up or improve service procedures and performance.

### 6.5.5. Proactive Idea Initiation

*Proactive Idea Initiation* was repeatedly recognised as fundamental and continuous conduct to enhance service procedures and avoid guests' dissatisfaction, and although not clearly defined by respondents across the three researched case studies, *proactive idea initiation* was still considered as a key determinant of employee effectiveness and even as an indirect job requirement. Respondents' expressions such as *improve*, *change*, *exceed guest expectations* or *avoid guest dissatisfaction* were synonymously used to denote *proactive idea initiation behaviour*. The outcome of the research also revealed that *proactive idea initiation* was conducted for variant purposes (see Table 6.3).

Hotel Property	Innovation	Purpose
Andromeda Hotel Lisbon	VIP Guest Arrival Welcome Gesture	Improve Procedure
	Guest Emergency Assistance	Support Distressed Guests
	Food and Beverage Cost Control	Cost Control
	Cappuccino Machines	Exceed Guest's Expectations
	Returning Guest Tailored Menu	Exceed Guest's Expectations
	Room Wiring System	Avoid Guest Dissatisfaction
	Men's Grooming	Service Line Extension
	Hygiene and Safety Report Summary	Improve Procedure
	Guest Arrival Luggage Tag	Improve Procedure
Mizar Prague Hotel	Parking Space	Generate Revenue
	Hot Water Charge	Avoid Employees' Dissatisfaction
	Terrace Lighting	Service Improvement
	Terrace Cafe	Service Line Extension
	Private Sauna	Service Line Extension
	Excel Template	Improve Procedure
	Lunch Buffet	Service Line Extension
	Spare Restaurant Ware	Avoid Employee Dissatisfaction
	Executive Lounge Additions	Service Improvement
Andromeda Hotel London	Automated Accounting Template	Improve Procedure
	Storage Vaults	Improve Procedure
	iPad Check In	Avoid Guest Dissatisfaction
	Designated Spa Room	Improve Procedure
	Children's Welcome Gesture	Exceed Guest's Expectations
	Engraved Wedding Knife	Exceed Guest's Expectations
	24 Hour Check In/Out	Exceed Guest's Expectations

(Table 6. 3: Purposes of Proactive Idea Initiation Conduct)

In the case of Andromeda Hotel London, *proactive idea initiation* was evidently conducted by **junior employees** as well as **middle** and **senior managers**, whilst in the case of Andromeda Hotel Lisbon **middle** and **senior managers'** *proactive idea initiation*

*behaviour* emerged more consistently as opposed to **junior employees** due to empowerment implications that involved managers in reviewing and amending the company SOPs. Likewise, in the case of Mizar Prague Hotel, **middle** and **senior managers** tended to conduct *proactive idea initiation* more evidently than **junior employees** because managers were more capable of overcoming management barriers and influencing higher levels of management to review existing procedures. However, it has been observed that encouraging employees' proaction was part of the growing corporate culture of considering local peculiarities by reviewing corporate SOPs and inputting locally adapted standards in the form of local systems of practice LSOP.

From another viewpoint, when comparing the **junior employees** and **middle** and **senior managers'** incentives to conduct *proactive idea initiation behaviour*, it could be concluded that **junior employees** aimed towards improving service procedures or work conditions, while **middle** and **senior managers** reflected added service-oriented intentions in terms of aiming to extend service lines or improve service procedures and to enhance guests' service experience.

### 6.5.6. Idea Search and Association

The main characteristic of *idea search and association behaviour* highlighted across the three cases studied was that employees searched for new ideas and associated these ideas with their work environment without any pre-set objectives. The respondents stressed that they continuously searched for new ideas and associated these ideas with their work environment as a natural consequence of being preoccupied with work implications. Accordingly, the research respondents reported that they consciously or subconsciously searched for new ideas through various means including online searches and subscription to newsletters and magazines, attending showcase events and exhibitions, and visiting competitor hotels, etc. (see Tables 5.15, 5.16 and 5.17 in Section 5.5.1).

Determinants of *idea search and association behaviour* included individual commitment and interest in searching for new ideas, employees' own creativity in associating encountered ideas with their work environment, and time and commitment restrictions that implied conducting less time-consuming means of idea search for some managers.

In the case of Mizar Prague Hotel, some respondents in junior job roles were less professionally dedicated to searching for ideas that could be applied to their work environment and instead searched for new ideas out of personal interest.

Distinctively to the case of Andromeda Hotel London, employees' efforts to develop individual skills and experience of the hotel sector, including the search for new ideas for innovation, were supported by the hotel management where it funded the expenses of some **middle** and **senior managers** attending conferences and showcase events as well as paying for employees' affiliation with professional bodies. Other employees in junior job roles were alternatively driven to search for new ideas by aspirations of career development and personal interest.

Associating ideas to the work environment varied on another account from one respondent to another, with some individuals being more capable of linking ideas to their work environment and proposing ideas for innovation. Employees' own creativity and individual commitment were key determinants that drove employees to associate ideas to their work environment, but subsequent to *idea association*, **middle** and **senior managers** proved to be more consistent in reporting ideas, most likely due to their influence in persuading other colleagues and managers to implement their ideas. In comparison, **junior employees** also associated ideas to their work environment, but less consistently reported their ideas to the hotel management due to a lack of motivation.

### 6.5.7. Persuasion

Management intervention in the form of managers' judgement and evaluation of the appropriateness of innovative ideas, that determine ideas' development throughout the *idea initiation–implementation* continuum, has led employees to resort to persuading their managers to adopt their ideas and avoid restriction. A distinctive implication of *persuasion behaviour* was that it was conducted in response to anticipated management restriction and to avoid an idea being dismissed. The level of management restriction compared to appreciation of employees' involvement in idea generation varied throughout the cases researched, from a directive management approach in Mizar Prague Hotel to a higher degree of appreciation towards employees' idea generation in the case of Andromeda Hotel London. In all cases, however, the research respondents

expressed that they still resorted to conducting *persuasion behaviour* in their attempts to overcome bureaucratic management barriers and the restriction of innovative ideas when management appraisal of ideas and decisions to approve or decline ideas were inevitable.

Another distinctive implication of the nature of the *persuasion behaviour pattern* is that it is predominantly conducted in combination with other forms of *innovative behaviour*; essentially, a form of *innovative behaviour* would have initiated the original idea and therefore prompted *persuasion behaviour*, and eventually *idea moderation behaviour* should follow to progress or dismiss the idea.

*Persuasion behaviour* took several forms depending on contextual factors; one form of *persuasion behaviour* that consistently emerged throughout the researched case studies was to utilise social acquaintance to influence managers' decisions to accept ideas. Acquaintance was more within reach in departments of smaller numbers of employees, where there is more interaction and fewer bureaucratic barriers. In the case of Andromeda Hotel Lisbon, the Sales Executive formed an acquaintance with the Department Director without difficulty in a department of three employees, which helped persuade the Department Director to experiment with the Angolan Market Development idea (see Micro Case 2). The Marketing Coordinator in the case of Mizar Prague Hotel was also acquainted with the Department Director in the merged Sales and Marketing Department that jointly managed the two properties of Mizar Prague and Andromeda Prague Hotels, which helped in the approving of the Private Sauna idea (see Micro Case 5).

At the **senior management level**, acquaintance with other HODs assisted managers in persuading their peer Department Heads with the applicability of their ideas. Uniquely to the two cases of Mizar Prague and Andromeda London Hotels, *persuasion behaviour* took the form of acquaintance with corporate managers; the fact that the previous General Manager of Mizar Prague Hotel came from the same country where the Andromeda Hotels' corporate management is located, and worked for the company before being dispatched to manage Mizar Prague Hotel, helped in the formation of an acquaintance with the corporate management and attaining approval for the hotel Restaurants/Lobby Refurbishment project (see Micro Case 4 and Appendix 31). The acquaintance of the IT Manager in the case of Andromeda Hotel London with the

corporate management also assisted in the consideration of the Virtual Control System idea (see Section 5.5.2.3).

**Middle managers** most effectively formed acquaintance with **senior managers** in the case of Andromeda Hotel London. As evidenced in the Name Memorising Techniques innovation (see Appendix 19), the Talent and Development Manager utilised his acquaintance with the hotel senior management to attain approval for this innovation initiative. In comparison, the **junior employees** also used acquaintance with their department managers to persuade the latter of the applicability of their ideas. Yet, this was less evident in the case of Mizar Prague Hotel, where the **junior employees** grouped together with other colleagues to persuade the hotel management through repetitive requests until their ideas were approved.

Other reported forms of *persuasion behaviour* included proving that implementing an idea would implicate retrieving financial savings/returns, or demonstrating that the implementation of an idea would help improve work procedures or service delivery in general. In particular, in this form of *persuasion behaviour* some respondents revealed that their research skills assisted in demonstrating the expected return from implementing an idea, such as when the Sales Executive used his research skills to project financial returns from implementing the Angolan Market Development idea in Andromeda Hotel Lisbon. In the case of Andromeda Hotel London, a Level 2 respondent further substantiated addressing managers' personal preferences through presentation skills as a form of *persuasion behaviour*.

### 6.5.8. Management Procedures

The *management procedures* reviewed in Sections 5.3 and 5.6.1 mainly encouraged *mandatory idea generation* and integrating innovative ideas across the management hierarchy. In the three researched cases, *management procedures* practically facilitated *innovative behaviour* leading to idea generation and development either directly or indirectly. Among the *management procedures* emerging predominantly in the respondents answers were meetings that were held regularly to review service performance and enable direct communication between the managers themselves and between the managers and employees working at the service frontline. Meetings were held at different times and with different agendas at the Heads of Department level, and



were also held communally to include all the hotel employees, as outlined in Section 5.3. The management of Andromeda Hotel London further initiated exclusively the *Good to Great* meeting that had only started at the time of research, and involved each department presenting its set of suggestions to improve performance as per the evaluation of the IQ Report annual results.

Although the respective managements of the three hotel properties were dedicated to maintaining constant review and improvement of the service standards through regular meetings, some **junior employees** perceived meetings differently and were less committed to attending meetings regularly or communicating their ideas; the language barrier of some **junior employees** in the case of Mizar Prague Hotel who are of different nationalities was a hurdle for those employees to effectively engage with other attendees, whilst some other **junior employees** were reluctant to communicate their ideas publicly during meetings and preferred to report ideas verbally to their direct managers. Equally, in the case of Andromeda Hotel London some employees of foreign nationality may be too shy to communicate their ideas due to having insufficient language skills to express themselves effectively in front of a larger audience.

*Brainstorming sessions* were held consistently during monthly department meetings. *Brainstorming sessions* effectively manipulated idea generation in meetings and encouraged **middle managers** and **junior employees** to report their ideas to senior managers, though it was detected in the three researched cases that some **junior employees** did not participate effectively in *brainstorming sessions*. This may have resulted from a lack of sincere belief that their ideas would be considered, or due to cultural barriers, and therefore they alternatively resorted to *persuasion behaviour* to voice their ideas (see Section 5.5.2). In the two cases of Andromeda Lisbon and Mizar Prague Hotels some **senior managers** proved further commitment than others towards organising *brainstorming sessions* in department meetings; both the Front Office Manager and the Food and Beverage Director in Andromeda Hotel Lisbon frequently held *brainstorming sessions* within their departments, and similarly the Front Office Manager in Mizar Prague Hotel was acknowledged by the Front Office **junior employees** to consistently organise *brainstorming sessions* during department meetings and to encourage *idea generation behaviour* among employees. In addition, *brainstorming sessions* were frequently held during staff training organised by Valiant

Hotelier, the corporate training and consultancy partner, in the two cases of Andromeda Lisbon and Mizar Prague Hotels. **Junior employees** reportedly felt more confident to voice their ideas due to the training consultant's ability to encourage idea generation conduct in a less directive manner.

From another perspective, other management procedures directly facilitated idea generation conduct and assisted transferring ideas across the management hierarchy. Throughout the cases studied, the respondents confirmed that the management SOPs directed frontline employees to interact with the hotel guests and generate contemporary ideas on their needs and preferences (see Section 5.3.1 and Appendix 17). The frontline employees applied two main methods to report guests' ideas to their manager; guest's ideas were either reported to managers directly or uploaded to the hotel management software Opera (see Appendix 32), which enabled both the local hotel management and the corporate management to preview guests' ideas. The *Idea Box* method to collect employees' ideas was likewise implemented in the researched cases to collect employees' ideas to improve service procedures or work conditions and the hotels' management, but the *Idea Box* method proved to be less effective and failed to achieve its objectives in the two cases of Andromeda Lisbon and Mizar Prague Hotels. In comparison, the *Idea Box* was employed successfully in the case of Andromeda Hotel London, most likely due to asking employees to contribute with their ideas on precise issues; the *Idea Box* was exceptionally used during campaigns to collect employees' ideas and views on specific issues or to gather employees' ideas during the Full Team quarterly meetings.

Representatives of departments were authorised to collect ideas on improving service performance and working conditions. In the case of Andromeda Hotel Lisbon, the **senior management** depended on *Quality Champions* as department representatives to transfer ideas horizontally across the management hierarchy. A *Quality Champion* is appointed in each department to monitor guests' satisfaction, quality reports and represent the department in quality meetings, while at the same time reporting ideas generated within departments to the hotel management during these meetings. Similarly, in the case of Andromeda Hotel London the hotel management authorised the *consultative committee* representatives in each department to collect ideas on department issues and present these ideas in the *consultative committee* meetings. The

*consultative committee* meetings were subdivided into two categories: the staff canteen *consultative committee* meeting and the general staff *consultative committee* meeting.

Other *management procedures* were applied throughout the three case studies to indirectly facilitate employees' *innovative behaviour* by nurturing social interaction between employees. In the case of Andromeda Hotel Lisbon, the Team Building Events (see Appendix 33) were organised to reinforce communication between employees working in different departments and also between **junior employees** and the hotel management. Team Building Events proved to be popular among employees and helped improve communication and acquaintance between **junior employees, middle** and **senior managers**, which facilitated conducting *persuasion behaviour* as previously discussed in Section 5.5.2. The *Social Club* (see Appendix 35) was launched in the case of Mizar Prague Hotel to promote better communication between employees working in different departments, and between employees and the hotel management. The *Social Club* organised numerous social events to facilitate idea communication and nurture social acquaintance between employees, but it was also revealed that acquaintance during events organised by the *Social Club* was more evident among **middle** and **senior management** attendants. The management of Andromeda Hotel London similarly introduced the Social Committee (see Appendix 37) to help create social acquaintance and promote idea communication between employees. However, some respondents expressed that not all employees could conveniently attend events held by the Social Committee.

### 6.5.9. Motivation

The review of motivating management incentives and reward systems practised throughout the three researched case studies revealed that management rewards were not directly related to employees' *innovative behaviour*. Management reward systems were rather designed to reward employees' performance, mainly resulting in increased guest satisfaction or collaborating effectively with other work colleagues. Arguably, an indirect relevance between management reward and employees' *innovative behaviour* may still exist, providing that *innovative behaviour* leads to a preferred management outcome. The selection of management rewards is normally dependent on both the

departments' and other employees' nomination, which indicates managers' and colleagues' appreciation of the reward recipients' performance.

The management reward system in the case of Andromeda Hotel Lisbon comprised of two main awards: the *employee of the month* and the *employee of the year* awards. Bonus rewards were reportedly received by employees working in the Front Office Department for cross-selling additional services to the hotel guests, while the Sales and Marketing Department employees also received bonuses for achieving sales objectives. In the case of Mizar Prague Hotel, employees were nominated by work colleagues after being preselected by department directors to receive the *star of the month* award for dedication to work and delivering a high standard of service. Front Office employees and Department Directors additionally received bonus rewards for cross selling supplementary services to the hotel guests and for achieving department pre-set objectives. The Front Office Manager doubted the effectiveness of the *star of the month* award, and instead self-initiated symbolic rewards for the Front Office employees; the *star of the month* reward scheme may not be fair to all employees due to the fact that some employees who work in the department Back Office may not be known to all employees in the hotel, and therefore would have reduced opportunity to win the award vote.

The management of Andromeda Hotel London uniquely decided to add further excitement and enthusiasm to the employees' reward scheme; a new theme of reward was announced every season by the hotel management to match a contemporary trend. The candidates for awards were nominated by the departments' managers and then confirmed by the Executive Committee. The actual rewards given were selected to be more appealing to employees by being considerate of the recipients' preferences recorded in the Human Resources Department database. The research outcome also revealed additional forms of management awards depending on the length of employees' service in the hotel and department specific awards such as achieving sales targets or the cross selling bonus award for Front Office Receptionist teams (see Section 5.6.2.3).

From another perspective, the research outcome indicated that additional self-comprehended intrinsic factors either motivated or de-motivated employees to conduct *innovative behaviour*. Intrinsic motivating factors were not mandated by management, but directly encouraged *innovative behaviour* among employees in the three researched

case studies. The intrinsic factors highlighted by respondents varied in nature and influence from one individual to another, depending on personal and contextual determinants (see Table 6.4). However, the motivating factor of *job fulfilment* was mentioned consistently by respondents in **junior**, **middle** and **senior** job roles, and the factors that are most likely related to improving work conditions or procedures were mentioned predominantly by **junior employees**. In contrast, intrinsic de-motivating factors inhibited employees' *innovative behaviour*, where *management cynicism* towards employees' ideas was recognised as a dominant de-motivating factor by respondents in **junior** and **middle** job roles in the three cases researched. As outlined in Table 6.4, further intrinsic de-motivating factors discouraged employees' *innovative behaviour*, but also varied in terms of nature and influence depending on individual comprehension.

Motivating Factors			
Job Level	Andromeda Hotel Lisbon	Mizar Prague Hotel	Andromeda Hotel London
Middle and Senior Managers	<ul style="list-style-type: none"> <li>▫ Job Fulfilment</li> <li>▫ Self Determination for Accomplishment</li> </ul>	<ul style="list-style-type: none"> <li>▫ Problem Solving</li> <li>▫ Job Fulfilment</li> <li>▫ Recognition</li> <li>▫ Creativity</li> </ul>	<ul style="list-style-type: none"> <li>▫ Job Fulfilment</li> <li>▫ Personal Interest</li> <li>▫ Creativity</li> </ul>
Junior Employees	<ul style="list-style-type: none"> <li>▫ Improving Work Procedures</li> <li>▫ Job Fulfilment</li> <li>▫ Interest</li> <li>▫ Curiosity</li> </ul>	<ul style="list-style-type: none"> <li>▫ Improving Work Conditions</li> <li>▫ Job Fulfilment</li> <li>▫ Creativity</li> <li>▫ Sense of Teamwork</li> </ul>	<ul style="list-style-type: none"> <li>▫ Problem Solving</li> <li>▫ Improving Work Procedures</li> <li>▫ Creativity</li> <li>▫ Developing Ideas with Work Colleagues</li> <li>▫ Involvement in Idea Generation</li> </ul>
De-motivating Factors			
Job Level	Andromeda Hotel Lisbon	Mizar Prague Hotel	Andromeda Hotel London
Middle and Senior Managers	<ul style="list-style-type: none"> <li>▫ Management Cynicism</li> </ul>	<ul style="list-style-type: none"> <li>▫ Management Cynicism</li> </ul>	<ul style="list-style-type: none"> <li>▫ Management Cynicism</li> <li>▫ Excessive Work Load</li> </ul>
Junior Employees	<ul style="list-style-type: none"> <li>▫ Management Cynicism</li> <li>▫ Excessive Work Load</li> </ul>	<ul style="list-style-type: none"> <li>▫ Management Cynicism</li> <li>▫ Lack of Ownership</li> <li>▫ Language Barrier</li> <li>▫ Absence of Oriented Service Culture</li> <li>▫ Cultural Implications</li> </ul>	<ul style="list-style-type: none"> <li>▫ Management Cynicism</li> <li>▫ Excessive Work Load</li> <li>▫ Lack of Ownership</li> </ul>

(Table 6. 4: Intrinsic Motivating and De-motivating Factors)

## 6.6. Concluding Remarks

The exploration of the nature of *service employees' innovative behaviour* revealed three main categories. *Innovative behaviour patterns* can be classified under *mandatory conduct*, *quasi-mandatory conduct* and *voluntary conduct* categories. The *innovative behaviour patterns* of these three categories initiated and helped develop innovative ideas into final forms of service innovation.

The research compared and contrasted employees' *innovative behaviour patterns* and contextual determining factors that enabled or inhibited *innovative behaviour* within the three case studies researched. Similarities and differences between the cases have been identified to verify the nature and impact of *innovative behaviour* in light of its contextual determinants and to identify the nature and impact of *innovative behaviour* from different job role perspectives, where job-specific *innovative behaviour patterns* have been identified.

## 7. Chapter Seven: Conclusion and Recommendations

### 7.1. Introduction

This chapter presents this research's closing conclusion and contribution to the general body of knowledge by revealing the nature and impact of *service employees' innovative behaviour* and its contextual determinants. The framework used to present the final conclusion of the research is dependent on the context-developed research questions that have been previously outlined in Section 3.3.1.

The contribution of the research findings and positioning within the existing theoretical framework is discussed in the subsequent sections of this chapter, while in the later sections, practical implications and recommendations for management to nurture *service employees' innovative behaviour* are presented in addition to outlining the research limitations and proposing recommendations for future research.

### 7.2. Research Findings

**7.2.1. Question 1:** *How does the previous literature underpin service employees' innovative behaviour, with a particular focus on the synthesis perspective?*

Despite the growing interest in research on services and service innovation, the review of the previous literature on the service employees' role in initiating innovation reveals considerable paucity. The role of employees has been emphasised in the service literature and considered as a fundamental element of service delivery. In relation to innovation, there is a general consensus on employees' contribution to service innovation, only there is little understanding on how the relationship between the two is best practically and theoretically connected. More specifically, and from the perspective of *personal-interactive* services, there is little or no evidence in the previous literature of any adequate evaluation of employees' roles in initiating service innovation.

In recognition of the *synthesis* approach of service innovation studies that dedicate more effort to bringing together innovation in both the services and manufacturing sectors, rather than studying each field separately (Gallouj and Weinstein, 1997; Coombs and Miles, 2000; Nightingdale, 2003; Drejer, 2004; Howells, 2006; Nijssen et al., 2006), this research adopted the *synthesis* perspective of service innovation by considering the

peculiarities of services, embedded in the high degrees of intangibility and perishability of services delivered within the hospitality sector, and equally recognising the applicability of theories developed within the manufacturing sector at the employee's individual level. In the innovation management literature, the employees' role in initiating innovation has been defined as *innovative work behaviour* IWB and *individual innovative behaviour* IIB (see Section 2.5). In the service innovation literature, however, there are diverse attempts to determine the role of employees in instigating innovation, in terms of creativity (Hsu *et al.*, 2011), front-line employees' participation (Slåtten *et al.*, 2011), service encounter-based innovation (Sørensen *et al.*, 2013), innovative behaviour (Tuominen and Toivonen, 2011; Edghiem, 2014) and motivation (Slåtten and Mehmetoglu, 2011; Cadwallader *et al.*, 2010) (see Table 2.9 in Section 2.5), reflecting substantial inconsistency in defining the nature and boundaries of *service employees' innovative behaviour*. In accordance with the research findings, it is proposed that the definition of service employees' behavioural input into service innovation should be viewed as unique to the service sector, and should also include the mandatory and individual implications of *innovative behaviour* and its responsive nature to contextual determinants. The definition of IWB and IIB metaphors in the previous literature lack comprehension; IWB is more likely to encompass employees' in-role innovative conduct while the definition of IIB reflects employees' self-initiated individually-oriented innovative conduct and is less likely to refer to the mandatory aspect of *innovative behaviour*. Furthermore, both definitions lack adequate consideration of the influence of contextual determining factors, and therefore the unconventional term of *service employees' innovative behaviour* is strongly recommended to distinctively describe employees' participation in service innovation, and for the purpose of this study, the following definition is introduced:

*'Service employees' innovative behaviour is a combination of mandatory and individually instigated, in-role or added, innovative conduct in response to determining contextual factors aiming to initiate and develop contemporary ideas into some form of service innovation.'*

The research objective of critically reviewing the previous literature dealing with *service employees' innovative behaviour* was achieved and it can be concluded that the current research on the topic is still at an embryonic stage. The body of literature on *service*



*employees' innovative behaviour* can be further described as scattered and inconsistent. In summing up, the following points present the findings relevant to the first research question:

- There is a general consensus on service employees' contribution to initiating innovation, without precisely understanding the nature and implications of this role.
- Multiple terminologies exist inconsistently in the service literature denoting *innovative behaviour patterns*, without phrasing a clear terminology that connects the related literature on service innovation.
- The research on *service employees' innovative behaviour* is in its infancy, and there is little or no evidence of adequate investigation of employees' contribution to initiating service innovation in the personal-interactive services subsector.

**7.2.2. Question 2:** *In consideration of the degree of formality, what is the nature and impact of employees' innovative behaviour and how does it contribute to service innovation?*

The absence of a comprehensive conception in the previous literature that precisely determines the features and boundaries of *service employees' innovative behaviour* and its asymmetric nature added a further challenge when exploring patterns of *innovative behaviour*. However, classifying *innovative behaviour patterns* under the three major categories of *mandatory*, *quasi-mandatory* and *voluntary conduct* helped define the broad characteristics of *service employees' innovative behaviour*. This classification fundamentally sets boundaries for *service employees' innovative behaviour* in relation to management conduct and highlights the likely voluntary nature of *innovative behaviour*. Apart from the two identified patterns of *frontline interaction* and *mandatory idea generation* as *mandatory innovative behaviour*, the other four patterns classified under the *quasi-mandatory* and *voluntary conduct* are not a direct management prerequisite, even if it may still attain management appreciation.

Another distinctive feature of *service employees' innovative behaviour* is that it is not equally practised by all employees at the same level, but is rather a set of asymmetric patterns that are likely conducted per individual and contextual determinants, which highlights another unique nature of *innovative behaviour* as being responsive to individual and contextual stimuli, such as the encountered determining factors of *management procedures* or *motivation*.

The impact of *service employees' innovative behaviour* and its contribution to service innovation can be determined in two ways, in terms of *progression* and *outcome*. In relation to the *progression* aspect, the focus in this research was to explore *service employees' innovative behaviour* related to idea generation and development along the idea *initiation–implementation* continuum (Zaltman *et al.*, 1973; Axtell *et al.*, 2000). The research findings accordingly revealed differences between employees at the individual level and between the three cases researched at the service system contextual level. Other differences existed between ***junior employees, middle*** and ***senior managers'*** *innovative behaviour*, except that a complementary relationship existed between the *innovative behaviour patterns* of these three groups. Accordingly, the *innovative behaviour patterns* of *idea moderation* and *persuasion* are complementary to the counter patterns of *frontline interaction, mandatory idea generation, proactive idea initiation* and *idea search and association*, which originally produced contemporary ideas, in terms of progressing the idea further towards the implementation stage.

Under the *outcome* aspect of *service employees' innovative behaviour* and its impact and contribution to service innovation, the research findings identify the strategic role of *service employees' innovative behaviour* in initiating contemporary ideas and developing these ideas in line with the service system context. The 48 ideas, out of 70, that were initiated and finally developed into innovations in accordance with the hotel property environment are in fact inputs by actors in the service system such as employees or guests.

In conclusion, the research achieved its objectives by adding further insight in identifying the nature and impact of *service employees' innovative behaviour* and how it contributes to service innovation. The following statements summarise the findings relevant to the second research question under the three dimensions discussed earlier:

#### *Nature Dimension*

- *Service employees' innovative behaviour patterns* can be largely classified under *mandatory, quasi-mandatory* and *voluntary* categories of conduct.
- *Service employees' innovative behaviour* is asymmetric in nature and varies from one employee to another depending on innate and contextual determinants.
- Differences between ***junior employees, middle*** and ***senior managers'*** *innovative*

*behaviour patterns* emerged, notably the *idea moderation pattern* being exclusively conducted by **middle** and **senior managers**.

#### *Progression Dimension*

- *Service employees' innovative behaviour* is reactive to contextual stimuli.
- The *innovative behaviour patterns* of *idea moderation* and *persuasion* are complementary to counter patterns of *frontline interaction*, *mandatory idea generation*, *proactive idea initiation* and *idea search and association*.
- Despite the highlighted differences between **junior employees**, **middle** and **senior managers'** innovative behaviour, a complementary relationship exists between the conduct of these three groups in developing ideas towards the implementation stage.

#### *Outcome Dimension*

- *Service employees' innovative behaviour* directly contributes to innovation by initiating contemporary ideas and eventually developing these ideas in accordance with the service system context.
- From the corporate perspective, *service employees' innovative behaviour* plays a strategic role by initiating context-centric innovation without direct corporate management intervention.

#### **7.2.3. Question 3:** *What is the impact of management procedures and motivation as contextual determining influencers of service employees' innovative behaviour?*

The research outcome revealed that *service employees' innovative behaviour* is influenced by individual and contextual determinants. The research findings further identified the main categories of contextual determinants as *management procedures* and *motivation*; *management procedures* were observed to facilitate *service employees' innovative behaviour* either directly or indirectly, while motivation can be subdivided into management reward systems and self-determined intrinsic motivating factors.

The impact of *management procedures* is clearly evident in prompting the *innovative behaviour pattern* of *mandatory idea generation* through organising regular meetings and *brainstorming sessions*, and also by facilitating the generation and transfer of ideas along the levels of management hierarchy. *Management procedures* also indirectly facilitated

*innovative behaviour* by nurturing social interaction and communication between employees of different job roles.

Since a large proportion of *service employees' innovative behaviour* is determined as an added-role and not directly required by management, such as *quasi-mandatory* and *voluntary conduct*, individual motivation to conduct *innovative behaviour* emerged as a key determinant. *Motivation* factors can be subdivided into the two categories of management reward systems and intrinsic motivating factors, based on the individual comprehension of benefit received from conducting *innovative behaviour*. Even though the management reward system is not practically designed to reward *innovative behaviour* among employees, there may still be an indirect connection between the two, provided that *innovative behaviour* results in increasing guests' contentment or improves working conditions for other colleagues. Intrinsic motivating factors are more complex and respectively vary from one employee to another based upon individual comprehension and judgment, and per employee job role.

Both contextual determining categories of *management procedures* and *motivation* proved to stimulate *service employees' innovative behaviour* directly or indirectly. In this respect, this research adds further insight by outlining the character and influence of contextual determining factors of *innovative behaviour*. To sum up, the following points summarise the research findings relevant to the third research question:

- *Service employees' innovative behaviour* is determined by two categories of influencing factors: *management procedures* and *motivation*.
- *Management procedures* directly promoted the *innovative behaviour pattern* of *mandatory idea generation* and also facilitated idea integration between levels of management hierarchy. Social acquaintance and communication were additionally nurtured through management procedures that may help facilitate the *innovative behaviour pattern of persuasion* indirectly.
- The management reward system was irrelevant but indirectly encouraged *innovative behaviour*, while intrinsic motivating factors were more influential but varied in nature and impact from one individual to another.
- De-motivating factors discouraged *service employees' innovative behaviour* and varied in nature and impact from one individual to another.

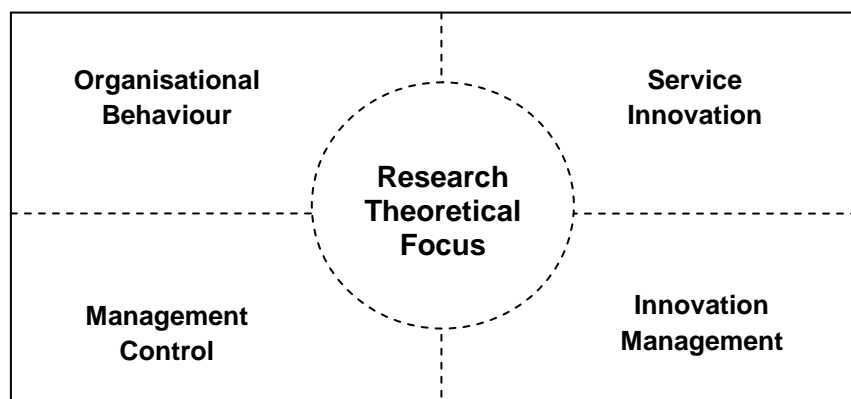
## 7.3. Contribution to Knowledge

### 7.3.1. Theoretical Contribution

The previous service innovation studies frequently relied on deductive measurement to assess the role of service employees in initiating innovation, and therefore do not adequately specify how service employees conduct *innovative behaviour*. As this research relied on an in-depth qualitative analysis of multiple case studies, it provides a novel and detailed description of the nature and impact of *service employees' innovative behaviour* in personal-interactive services and how it is influenced by the contextual determining factors, compared to the existing literature that lacks adequate explanatory in-depth studies. The methodological approach adopted proved further the applicability of qualitative case study research in thoroughly investigating *service employees' innovative behaviour*. Employing the service system framework (Edvardsson and Olsson, 1996) as a unit of analysis also enabled an inclusive view of *innovative behaviour patterns* and the context where it occurred, of which is consistent with other views in the literature that encourage adopting the service system as a framework of analysis in studying services and service innovation (i.e. Maglio and Spohrer, 2008; Michel *et al.*, 2008).

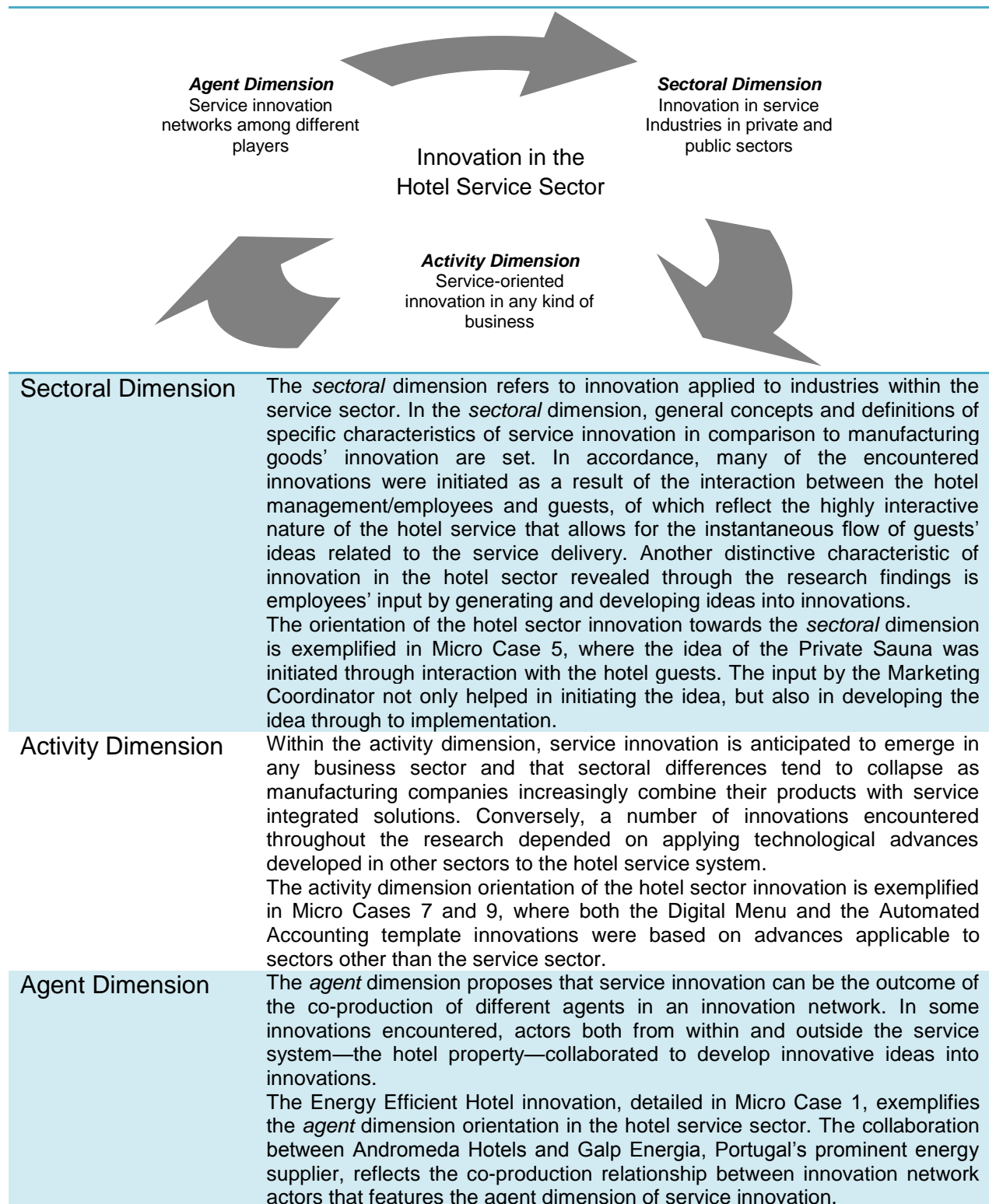
Furthermore, and as this research adopted the *synthesis* approach in examining service innovation, the research proves further the applicability of the *synthesis* perspective to service innovation. As discussed in Section 2.4, *synthesis* studies dedicate more effort to drawing together innovation in both the services and manufacturing sectors than when studying each field separately (Gallouj and Weinstein, 1997; Coombs and Miles, 2000; Nightingdale, 2003; Drejer, 2004; Howells, 2006; Nijssen *et al.*, 2006) after illuminating the important elements of service innovation such as the involvement of customers (Sanden *et al.*, 2006). This research similarly considered the peculiarities of services, embedded in the high degrees of intangibility and perishability of services delivered within the hospitality sector, and equally recognises the applicability of theories developed within the manufacturing sector at the employee's individual level. The research theoretical focus, as depicted in the reviewed Figure 1.1, depended on combining theory from multiple management disciplines depending on its relevance to *service employees' innovative behaviour*. In the researcher's view, the *synthetic* approach in studying service innovation may become dominant over the other counter

approaches of the *technologist*, *assimilation* and *demarcation* schools of thought, not only due to the continuing collapse of boundaries between the services and manufacturing industries, and the increasing popularity of the *synthesis* perspective among many service innovation scholars, but also due to the practical reliance on technical advances as convenient solutions to complement service delivery, i.e. the almost unavoidable application of information technology solutions in most types of services, even in services characterised with less standardisation or reliance on technical solutions, and implicates higher personal-interactivity. In addition, the synthesis perspective is already implemented through globally recognised innovation initiatives such as those found in the San Francisco Bay Area's *Silicon Valley*, the Malaysian innovation hub *Cyberjaya* city and the Dubai Innovation Strategy, which produce *synthesised* innovations that will sooner or later reflect on the service innovation theoretical framework.



(Research Theoretical Focus; Figure 1.1 Reviewed)

From another perspective, the research findings reveal further characteristics of service innovation in the hotel sector by highlighting the incremental nature of service innovation; most innovations encountered during the research are in fact based on customisations of existing services rather than being a radical form of new service development (NSD). Innovation in the hotel sector is revealed as depending on inputs from actors within the service system and developments in other sectors such as information technology advances. In essence, it is proposed that service innovation in the hotel sector is diverse and therefore it can occupy a moderate position between the three classifications of service innovation provided in the framework of Rubalcaba *et al.* (2012) (see Figure 7.1).



(Figure 7. 1: The Moderate Position of Innovation in the Hotel Sector; adapted from Rubalcaba *et al.*, 2012)

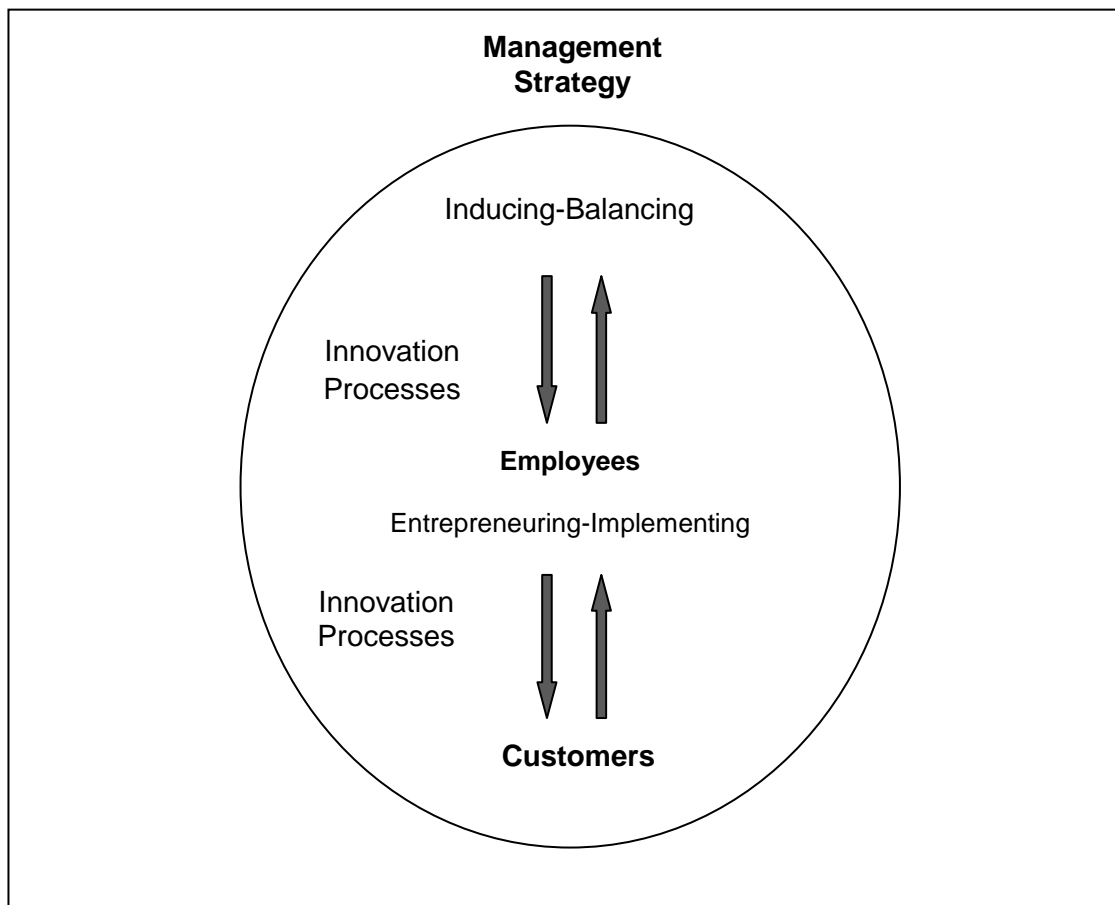
The research findings also add further insight by verifying the role of service employees in initiating innovation. Previous studies substantiated the role of employees in initiating service innovation (Sundbo, 2008) without explaining the boundaries and characteristics of this role specifically. For instance, the service dominant SD logic (Vargo and Lusch, 2004) indiscriminately signified the collaborative processes between customers, partners and employees (Lusch *et al.*, 2007) without identifying the nature and contribution of these collaborative processes precisely. In relation to employees' knowledge and its contribution to innovation, there has been a growing interest in knowledge intensive business services' KIBS<sup>1</sup> contribution to innovation (Shearmur and Doloreux, 2013), with no consideration of other service subsectors. The researcher identified, in previous research, four patterns of *service employees' innovative behaviour* in relation to employees' knowledge: *formal and informal knowledge acquisition* and *formal and informal knowledge integration behaviour* (Edghiem, 2014).

In line with the co-creation paradigm of the service dominant SD logic, communication between employees and customers is perceived to be important (Sundbo and Toivonen, 2011) and can enhance customers' perceptions of quality while also suggesting ideas that can lead to innovations (Rubalcaba *et al.*, 2012). The role of employees in initiating service innovation has respectively been substantiated in the strategic model of employee-driven innovation (Sundbo, 2008b) involving dually prompted innovation; one is initiated by employees and their encounter with customers, and the other is induced by management (see Figure 2.3 reviewed below). In the Employee-Driven model, although the role of employees' conduct in initiating ideas for innovation has been highlighted, the role of employees was identified in terms of entrepreneurship; the other aspects of employees' innovative conduct or contextual determining factors were not sufficiently explored.

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<sup>1</sup> KIBS are by definition intermediate services that usually deliver knowledge or know-how and can deliver and implement systems, such as accounting or computer systems (Muller and Doloreux, 2009).

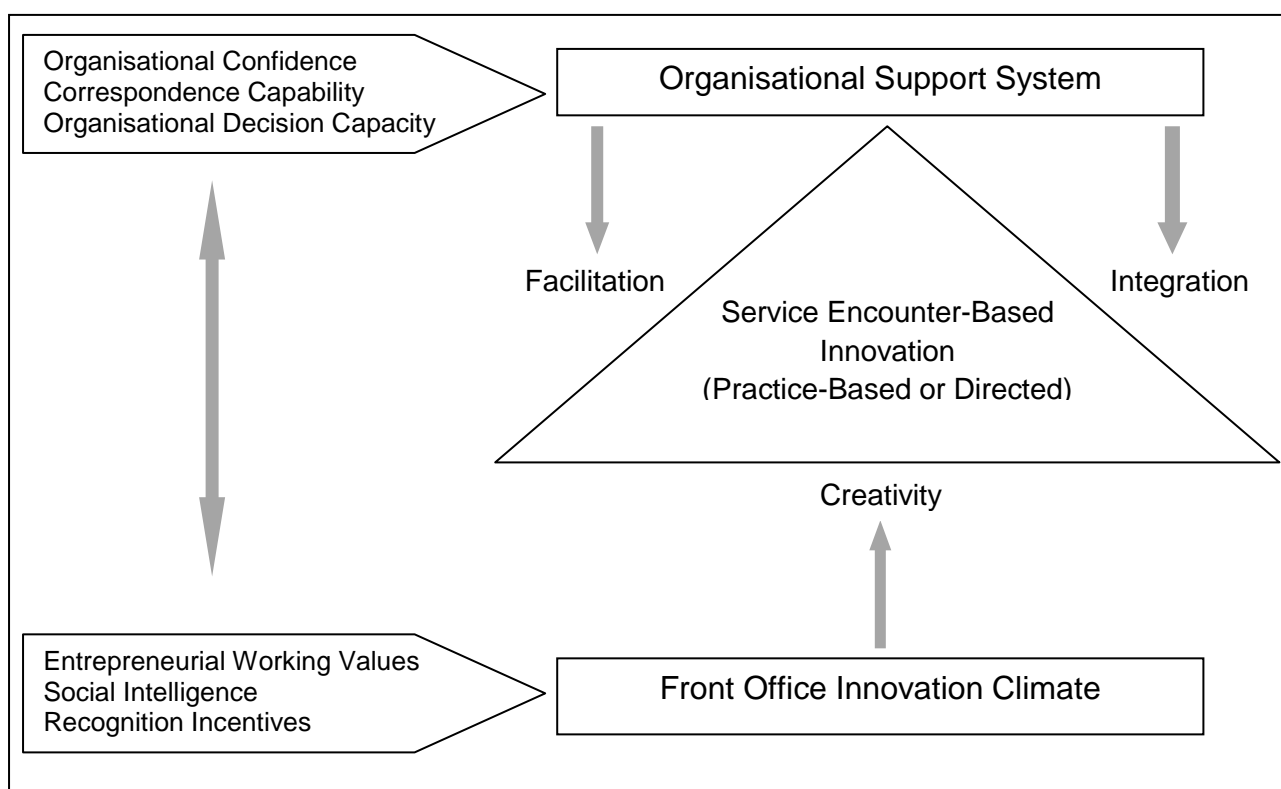




(Strategic Model of Service Innovation; adapted from Rubalcaba *et al.*, 2012, Figure 2.3 Reviewed)

*Service encounter-based innovation* emerged as an unconventional line of research (Toivonen and Tuominen, 2009; Sundbo and Toivonen, 2011; Sørensen *et al.*, 2013) where the influential study of Sørensen *et al.* (2013) substantiated the critical encounter between frontline employees and customers during the delivery of services, and respectively identified two sets of innovation processes related to *service encounter-based innovation*: *directed innovation*, which resembles management planned innovation processes, and *practice-based innovation* that is dependent on employees' creativity in providing unintentional changes and generating ideas through the service encounter (see Section 2.5). The study of Sørensen *et al.* (2013) followed a similar approach to this research by adopting an inclusive view in identifying service employees' innovative conduct and its determining factors. However, while the study of Sørensen *et al.* (2013) provides a constructive analytical framework (see Figure 7.2) for identifying the nature of the service employees' role in initiating innovation and the influence of contextual

determining factors, it could be criticised for (1) not considering the differences between the service industry subsectors when researching eleven Scandinavian service companies indiscriminately; and (2) for overly focusing on frontline service employees' creativity in comparison to innovative conduct, without sufficiently specifying how employees' creativity might result in initiating innovative conduct. Thus, the study framework of Sørensen *et al.* (2013) may prove to be insightful for future research, only that further validation of the framework constructs and interrelated relationships is still required; the framework's theoretical constructs should be tested further at a larger sample scale through deductive measurement, and should also be tested in each service subsector exclusively.



(Figure 7. 2: Service Encounter-Based Innovation Organisational Conditions, Sørensen *et al.*, 2013 p. 1452)

In conclusion, this research contributes to the body of knowledge related to service innovation by firstly identifying categories of *innovative behaviour* depending on the degree of formality as *mandatory*, *quasi-mandatory* and *voluntary conduct* in comparison to previous research that either did not discriminate between these three categories when investigating service employees' driven innovation, or abstractly classified service employees' innovative conduct as *formal* and *informal innovative behaviour* (Edghiem,

2014) and bottom-up practice-based compared to top-down directed innovation processes (Sørensen *et al.*, 2013). Secondly, the research outcome revealed the impact and nature of *service employees' innovative behaviour* in the form of six *innovative behaviour patterns* (reviewed in Figure 5.3) that generated and developed ideas into innovations. Thirdly, the research findings identified two contextual determinants of management procedures and motivation, and enabling or inhibiting factors to *service employees' innovative behaviour*.

Mandatory Conduct	Quasi-Mandatory Conduct	Voluntary Conduct
<div>Frontline Interaction</div> <div>Mandatory Idea Generation</div>	<div>Idea Moderation</div> <div>Proactive Idea Initiation</div>	<div>Idea Search and Association</div> <div>Persuasion</div>

(Categories of Service Employees' Innovative Behaviour Patterns, Figure 5.3 Reviewed)

While the study outcome identifies a significant gap in the literature on the service employees' role in initiating innovation, it also acknowledges a growing interest in this research area that has developed in recent years. Nevertheless, the existing literature may still be categorised with a high degree of inconsistency and lack of theoretical uniformity as both theories and concepts referring to service employees' innovative conduct are still evolving. The outcome of this research, however, provides a novel insight which may agree or contradict with previous literature (see Table 7.1).

Dimension	Previous Research Findings	Theoretical Positioning/ Research Contribution
Categories of Innovative Conduct/Formal vs Informal	<ul style="list-style-type: none"> <li>■ The study of Sørensen <i>et al.</i> (2013) subdivided <i>service encounter-based innovation</i> into <i>practice-based</i> (bottom-up entrepreneurial) that is conducted by frontline employees, and the <i>directed</i> (top-down managerial) innovation processes prescribed by management.</li> <li>■ The researcher's previous study classified <i>individual innovative behaviour</i> of service employees into formal and informal <i>behaviour patterns</i> (Edghiem, 2014).</li> </ul>	<ul style="list-style-type: none"> <li>■ The research findings identified an additional category of <i>service employees' innovative behaviour</i> as <i>quasi-mandatory</i> conduct, rather than identifying innovative conduct abstractly as formal vs informal or <i>practice-based</i> vs <i>directed</i>. The research findings, however, in consistency with the two studies of Sørensen <i>et al.</i> (2013) and Edghiem (2014) in identifying an integrative relationship between these categories. The research findings contradict with the study of Sørensen <i>et al.</i> (2013) in addressing <i>directed</i> innovation as a process rather than behaviour.</li> </ul>

Table 7.1 continued

Patterns of Innovative Behaviour/Conduct	<ul style="list-style-type: none"> <li>■ The study of Sørensen <i>et al.</i> (2013) identified two types of innovation processes depending on frontline employees' creativity as <i>practice-based innovation</i>.</li> <li>■ In a previous study, the researcher established four <i>innovative behaviour patterns</i> in relation to knowledge as <i>formal knowledge acquisition</i> and <i>knowledge integration</i>, and <i>informal knowledge acquisition</i> and <i>integration</i>.</li> <li>■ The findings of Tuominen and Toivonen's (2011) study highlighted five types of <i>innovative behaviour patterns</i>, previously identified by Kleysen and Street (2001) in three knowledge intensive business services companies as <i>opportunity recognition</i>, <i>generativity</i>, <i>championing</i>, <i>formative investigation</i> and <i>application</i>.</li> </ul>	<ul style="list-style-type: none"> <li>■ In agreement with previous relevant studies' the research outcome substantiates the role of service employees in initiating innovation, and adds further insight by identifying six <i>innovative behaviour patterns</i> of service employees as <i>frontline interaction</i>, <i>mandatory idea generation</i>, <i>idea moderation</i>, <i>proactive idea initiation</i>, <i>idea search and association</i> and <i>persuasion</i>; where the <i>innovative behaviour patterns</i> of <i>idea moderation</i> and <i>persuasion</i> are complementary to the counter patterns of <i>frontline interaction</i>, <i>mandatory idea generation</i>, <i>proactive idea initiation</i> and <i>idea search and association</i>. The research findings also add new insight by highlighting differences between <b>junior employees</b>, <b>middle</b> and <b>senior managers</b>' <i>innovative behaviour</i>.</li> </ul>
Determining Factors	<ul style="list-style-type: none"> <li>■ The study of Hsu <i>et al.</i> (2011) revealed that employees with a high level of creative self-efficacy demonstrate a high level of <i>innovative behaviour</i> at work. The study also verified employees' <i>optimism</i> to play a moderating role without direct effect on employees' <i>innovative behaviour</i>.</li> <li>■ The study of Slåtten <i>et al.</i> (2011) indicated a strong relationship between the frontline cognitive creativity production of novel ideas and the behavioural implementation of these ideas. The study's findings also indicate that both empowering leadership and a humorous work climate trigger frontline service employees' creativity.</li> <li>■ The study of Slåtten and Mehmetoglu (2011) revealed that employees' creativity is a key driver for <i>innovative behaviour</i> with company empowerment practices, familiarity with company vision and employee commitment strongly related to employee creativity.</li> <li>■ The study of Sørensen <i>et al.</i> (2013) conditioned two main factors for <i>service encounter-based innovation</i>: <i>organisational support system</i> and a <i>front-office innovation climate</i>. The organisational support system depends on <i>organisational confidence</i>, <i>correspondence capability</i> and <i>organisational decision capacity</i>, while the front-office innovation climate is dependent on <i>entrepreneurial working values</i>, <i>social intelligence</i> and <i>recognition incentives</i> (see Sections 2.6 and 2.7). Sørensen <i>et al.</i>'s (2013) study postulates that any lack of these conditions will lead to limiting <i>service encounter-based innovation</i> and vice versa.</li> <li>■ The researcher's previous study identified the ancillary role of <i>prior</i> and <i>dependent knowledge</i> in (1) inspiring <i>individuals</i>' <i>innovative behaviour</i> to come up with new ideas, and (2) developing new ideas in coherence with the service system's local context and corporate standards (Edghiem, 2014).</li> </ul>	<ul style="list-style-type: none"> <li>■ The research outcome is consistent with previous relevant studies' findings that <i>service employees' innovative behaviour</i> is reactive to contextual stimuli.</li> <li>■ The research identifies two categories of determining factors as <i>management procedures</i> and <i>motivation</i>. Management procedures are identified, in agreement with the study of Sørensen <i>et al.</i> (2013), to directly initiate the <i>innovative behaviour pattern</i> of <i>mandatory idea generation</i>, facilitate idea integration between levels of management hierarchy and nurture social acquaintance and communication between employees.</li> <li>■ The research findings highlight both motivating and de-motivating factors influencing <i>service employees' innovative behaviour</i>. Whilst the management reward systems investigated indirectly encouraged innovative behaviour, intrinsic factors proved to be more influential but varied in nature and impact from one employee to another. The research outcome identifies, further than the findings of previous studies, different motivating and de-motivating factors for <b>junior employees</b>, <b>middle</b> and <b>senior managers</b>. However, in agreement with the studies of Slåtten <i>et al.</i> (2011), Slåtten and Mehmetoglu (2011) and Sørensen <i>et al.</i> (2013), service employees' creativity was determined as a motivating factor in driving <i>innovative behaviour</i>.</li> </ul>

(Table 7. 1: Research Findings' Position to Previous Relevant Literature)

### 7.3.2. Practical Contribution and Management Recommendations

The asymmetric nature and likely self-determined objectives behind *service employees' innovative behaviour* adds further challenge to implementing viable management procedures to nurture *innovative behaviour* among employees. *Service employees' innovative behaviour* also largely depends on individual idea search skills and creativity, and other individual qualities relating to effective interaction with different actors within the service system environment. This would raise further reservations over the possibility for managing employees in order to develop certain skills and qualities that lead to the conduct of *innovative behaviour*. Since it is not possible to manage all aspects of *service employees' innovative behaviour*, it is strongly recommended to provide an *incubating environment* to nurture *innovative behaviour* along with the *management procedures* discussed in Section 5.6.1; the following three main aspects should be regarded when designing an organisational culture that nurtures *innovative behaviour*.

#### 7.3.2.1. Promotion of Management Objectives/Values

Although *service employees' innovative behaviour* provides a competitive advantage in initiating and developing contemporary ideas in line with the local context of the service system, from the corporate viewpoint it is a critical requirement that innovative ideas should comply with management objectives and interests, such as increasing the return on investment or rationalising corporate resources. Any conflict between management and employees' objectives would expectedly either restrict *innovative behaviour* or produce innovations that are incompliant with corporate guidelines. In accordance, employees should become fully aware of the corporate standards and boundaries of implementing innovation to maintain a balanced approach when initiating and developing ideas to realise contextual or individual aspirations along with corporate objectives. In fact, it has been consistently observed across the three cases researched that respondent awareness of corporate values was substantially lacking among all levels of job role. In many scenarios, the respondents were not able to recall any of the corporate values listed in Appendix 13, and therefore it would be highly recommended to exert more effort to inform employees of the corporate values and objectives. It is suggested, therefore, to promote corporate values among employees through internal marketing; the internal marketing plan should implicate renaming the employee of the month award to feature the name of one of the four corporate values each month. The competition

between employees for the monthly award would expectedly raise further awareness of the corporate values. The visual display of management objectives in employees' common areas would also assist in memorising management objectives among employees.

### 7.3.2.2. Practice-based idea generation

Considering continuity as a likely feature of *service employees' innovative behaviour*, *innovative behaviour* should not only be regarded as a responsive reaction to management instruction, but as consistent patterns depending on individual and contextual determinants. Arguably, management guidelines aim to generate contemporary ideas to address upcoming issues or problems through *mandatory conduct*, i.e. *frontline interaction* or *mandatory idea generation behaviour*, on an ad-hoc basis while a significant proportion of the *innovative behaviour patterns* highlighted in this research were conducted electively and were not directly instructed by management.

The present management policies in the three cases researched to facilitate and encourage *innovative behaviour* among employees should move on from ad-hoc idea generation procedures to more continuous and comprehensive arrangements, considering other patterns of *innovative behaviour* that may be more continual. The design of new guidelines and arrangements to nurture *innovative behaviour* among employees is therefore recommended through the suggested set of practice-based procedures found in Table 7.2.

Ideation Techniques	■ Well-known idea generation techniques, commonly known as ideation, such as mind mapping and scenario thinking are recommended to be included in Human Resources training sessions. Ideation techniques will likely help promote idea generation practice among employees.
Idea Search	■ Idea search skills training is recommended to help employees broaden their idea sources. Idea search training sessions are likely to benefit those employees who do not actively use the internet or specialist forms of media, to become aware of industry trends and developments.
Corporate Intranet	■ Investing in a corporate intranet system will not only improve communication between corporate management and employees at the hotel property level, but will also create a communication medium to share ideas and learn about new innovations implemented in other Andromeda Hotels' properties.
Idea Generation Software	■ Applying software solutions to manage the collection of employees' ideas and developing these ideas further into innovations. Idea generation software, such as BrainBank, provides tailored solutions that enable a practical structure for idea development and also allow employees of different job roles to report contemporary ideas and then monitor the progress of their ideas.

(Table 7. 2: Suggested Practical Measures to Nurture Idea Generation)

### 7.3.2.3. Redesign of Motivation Systems

Among the three identified categories of *employees' innovative behaviour*, the two categories of *quasi-mandatory* and *voluntary conduct* are not of direct management requirement; the six *innovative behaviour patterns* highlighted under these two categories were electively conducted by employees and not directly instructed as a job requirement, but may still be valued by management as an indication of employee effectiveness. Respectively, the design of an effectual motivation policy should take into consideration that conducting *innovative behaviour patterns* under the categories of *quasi-mandatory* and *voluntary conduct* is very likely employee-self-determined, without explicit management obligation, to fulfil employees' incentives. Nevertheless, the design of a management policy to promote *innovative behaviour* may prove difficult due to the variation in employees' own incentives; individual motivation is determined by intrinsic and contextually complex factors, while de-motivating factors adversely determined *service employees' innovative behaviour* but also varied in nature and influence among employees.

Concerns accordingly arise over the applicability of implementing standardised *management procedures* to reward *innovative behaviour*, such as the reward systems implemented in the three researched cases. Management rewards for *innovative behaviour* should be adaptable to individual and contextual characteristics. In essence, it is recommended that the management reward system implemented in the three cases researched should be reviewed and adapted to encourage *innovative behaviour*. The researcher, in this respect, proposes a number of measures in Table 7.3 to redesign the current reward systems, reviewed in Section 5.6.2, to address context specific factors where the basis of the suggested reward scheme recognises individual and contextual motivating factors depending on the employee level within the management hierarchy.

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#### Senior Managers

- Recognition of department-specific motivating/de-motivating factors and delegating authority to Heads of Department in accordance to utilise enabling factors or eliminate barriers.
  - Delegate authority to Head of Department to create context-specific motivating factors in each department to encourage employees' *innovative behaviour*. An example of this would be a symbolic department award to motivate employees who come up with innovative ideas.
  - Recognition of **senior managers** who come up with innovative ideas by publishing their profiles and details of innovative ideas in corporate media.
  - Include *innovative behaviour* among the criteria of nominating department candidates for the *employee of the month* award.
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Table 7.3 continued

Middle Managers	<ul style="list-style-type: none"> <li>■ In consideration of frontline managers' critical role in receiving guests and frontline <i>junior employees'</i> ideas, it would be significantly important to motivate <b><i>middle managers</i></b> to bridge between ideas generated at the service frontline and the hotel <i>senior management</i>. Setting up a periodic meeting between <b><i>middle managers</i></b> and the hotel Executive Committee is suggested to not only help the regular flow of ideas to the hotel management, but will also help eliminate the <i>management cynicism</i> towards innovative ideas that is frequently perceived by <b><i>middle managers</i></b> as being highly de-motivating.</li> </ul>
Junior Employees	<ul style="list-style-type: none"> <li>■ Involvement of <b><i>junior employees</i></b> in idea generation aiming to improve working conditions or procedures. In initiatives such as the Quality Meetings or Good to Great Meeting, which are held in Andromeda Hotel London, involving representatives of <b><i>junior employees</i></b> in each department would expectedly encourage reporting ideas to representative colleagues without restrictions, and will also help eliminate the sensed <i>management cynicism</i> towards <b><i>junior employees'</i></b> innovative ideas.</li> <li>■ To eliminate the perceived <i>management cynicism</i> towards <b><i>junior employees'</i></b> innovative ideas reported through various means, it is recommended that once ideas are received by managers they should be recorded and displayed on a designated noticeboard/flat screen located in the canteen or other staff common areas. Once <b><i>junior employees</i></b> observe their ideas advertised in public areas, they will regard that their ideas have been noticed by management, even if their ideas are not then implemented. In the case of <b><i>junior employees'</i></b> ideas not being deemed applicable, it would be also recommended to provide an explanation for not considering the idea as actionable, to avoid <b><i>junior employees'</i></b> de-motivation.</li> </ul>

(Table 7. 3: Suggested Measures to Redesign Motivation Systems)

## 7.4. Research Limitations

The lack of empirical evidence identifying patterns of *innovative behaviour* in previous literature makes it difficult to accurately assess any previously identified variables through quantitative methods. The use of qualitative case study research strategy, therefore, was most applicable for allowing the direct assessment of *service employees' innovative behaviour* within its genuine service system context. The selection of multiple qualitative methods further enabled thorough examination of *service employees' innovative behaviour* and *triangulating* evidence to avoid misrepresentation.

Limitations may also be associated with the research methods applied to achieve the research objectives where three main concerns may arise. Firstly, along with the classic limitations associated with case study research, such as access constraints or inability to produce universal findings, the approach for the researched cases' selection may raise criticism for not relying on precise predefined indicators, regardless of the fact that no



accurate indicators to identify an innovative service organisation have yet been defined, as discussed in Section 3.3.4.

Secondly, there is the limitation associated with qualitative research methods in the form of *inherent reflexivity* (Hammersley and Atkinson, 1983), where reflexivity is commonly perceived as a direct threat to validity. However, as an implication of the social constructionist epistemology adopted in this research, reflexivity may not be entirely avoidable; it would be neither sensible nor realistic to eliminate the researcher's theoretical preconceptions, values and constructionist approach to data analysis. In addition, as the researcher was introduced to the researched hotels' management by the Andromeda Hotels' corporate management, it was sensed on some occasions that a small number of interviewees exaggerated their roles in initiating innovative ideas to convey superiority, or even claimed the ownership of ideas generated by other employees. The conducting of qualitative semi-structured interviews, considering the number of interviews recorded, also entailed tedious efforts to analyse the interview data.

Thirdly, there is the limitation associated with sampling the research respondents. Although a purposeful and balanced approach was intended to select respondents in **junior**, **middle** and **senior manager** job roles based on their participation in innovation projects, critical concerns may still arise from relying on the Human Resources Departments within the three researched cases in selecting the respondents, notwithstanding that it would have been almost impossible to identify respondents effectively and accurately without the assistance of the Human Resources Departments.

## 7.5. Recommendations for Future Research

Since the research outcome reveals a considerable paucity in literature addressing service employees' role in initiating innovation in general, and the literature specifically underpinning *service employees' innovative behaviour*, numerous relevant avenues of research may be highlighted for future investigation. Firstly, valid and reliable indicators of service companies/organisations should be determined in relevance to *service employees' innovative behaviour*; previous research has produced rather general indicators of regional, sectoral and organisation-specific service innovation rather than indicators related to *service employees' innovative behaviour* specifically (e.g. European

Union Regional Innovation Scoreboard, 2012; Bloch and Bugge, 2013; European Service Innovation Scoreboard, ESIC, 2014).

The second research area that ought to be investigated further is the *service employees' innovative behaviour* that occurs outside the service system. Although applying the service system framework (Edvardsson and Olsson, 1996) as the unit of analysis to investigate service innovation is strongly advocated in the literature (Maglio and Spohrer, 2008; Michel *et al.*, 2008), and proved to be practically applicable while conducting this research, *service employees' innovative behaviour patterns* could also occur beyond the inter-organisation level to involve other relationships or collaboration with external network actors in line with the open innovation view (references).

Thirdly, the investigation of *service employees' innovative behaviour* that may occur at the intra-organisational level can be highlighted as another avenue for future research. While conducting the research, signs of communication and collaboration between managers from different hotel properties within Andromeda Hotels' portfolio were encountered. *Innovative behaviour patterns* such as sharing ideas and knowledge are expected to take place between employees working in different overseas subsidiaries in the context of multinational service corporations, and therefore would require further exploration.

The investigation of the characteristics of organisational culture, including formal and undisclosed informal procedures, can be highlighted as a fourth avenue for future research. Although the study of Toivonen and Tuominen (2009) concluded that innovative service companies incorporate a dual structure including an informal social system for producing ideas and a management system that inspires employees and selects ideas that are to be developed, further investigation of corporate management control mechanisms to facilitate *service employees' innovative behaviour* at the local hotel property level should be explored, along with the impact of hotel property or department-specific management's informal tradition in relation to service innovation and *innovative behaviour*.

In conclusion, the research on *service employees' innovative behaviour* may reveal numerous unexplored areas due to the early progression stage of relevant research and the complexity of *innovative behaviour* and its determinants. However, as the methodological approach adopted in this research enabled providing new insight on the

nature and impact of *service employees' innovative behaviour patterns* and its contextual determinants, it is recommended that future research should take into account the following points when designing a research methodology aiming to explore further *service employees' innovative behaviour*:

- The application of mixed methods to overcome the limitations associated with both reflexivity and sampling strategy, i.e. by identifying the categories and patterns in the initial sample of interviewees through qualitative methods, and then bringing together further evidence by applying quantitative research on a larger research population.
- The extension of the number of case studies to be researched, and the inclusion of other types of hotels, i.e. budget hotels or spas and resorts, to assess the validity of the research findings across the hotel service sector.
- The expansion of the research area to include other types of personal-interactive services, i.e. health and recreation centres and transport companies. This should provide further insight on the nature of *service employees' innovative behaviour* and its role in generating ideas for innovation.

## 7.6. Thesis Chapters' Summary

In *chapter one*, a general overview of the research background was provided indicating the economic significance of the service sector and the rationale behind conducting this research. A statement of the research problem, aims and objectives were presented in this chapter as well as a brief description of the research methodology. *Chapter two* contained a wide-ranging review of the established relevant literature including the review of the streams of literature defining the peculiarities of services and the transition of manufacturing ventures towards service offerings. The schools of thought depending on the proximity between the service and manufacturing theories of innovation were reviewed in this chapter implicating the acceptance and application of the *synthesis* perspective of service innovation. The literature concerned with service employees' role in initiating innovation was also reviewed revealing a significant gap and inconsistency in the nomenclature denoting *service employees' innovative behaviour*. The remainder of *chapter two* reviewed the key theories concerned with *innovative behaviour* determining factors of *management procedures* and *motivation*.

*Chapter three* consisted of the rationalisation of the choice of the research philosophical stance and design implicating the adoption of an *relativist* ontology and a *social constructionist* epistemology. This chapter also included the justification of the application of case study research strategy and the applied research methods in line with the research nature of inquiry and questions. The development of the research question, case study selection, conceptual framework and the choice and application of data analysis strategy were also detailed in *chapter three*.

In *chapter four*, a detailed description of the selected case studies wider contexts was presented including political, economic, social, technological, legal and environmental factors. The specific contexts of the researched hotel properties were also presented highlighting the distinctive features of management structures and the physical environments of the hotel properties. *Chapter five* comprised of a thorough presentation of the research data under the constructed analysis themes. Detailed transcripts of respondents' accounts containing descriptions of *innovative behaviour patterns* and contextual influencers were demonstrated in this chapter along with nine *micro cases* of innovation projects that have been implemented.

Within the *sixth chapter*, the set of research objectives was devised to present the discussion of the research findings in relation with the research theoretical framework revealing the literature gap and the unique characteristics of *service employees' innovative behaviour* and the influence of contextual determinants. A comparison highlighting similarities and differences between the researched case studies was presented in the remainder of this chapter.

*Chapter seven* concluded the research findings and contribution to knowledge; the statement of findings was listed under the research context specific questions determining the nature and impact of *service employees' innovative behaviour* and the impact of the contextual determining factors. The research contribution to the body of knowledge was determined at two dimensions; while under the theoretical dimension the research findings provided a novel and detailed description of *service employees' innovative behaviour*, under the practical dimension the researcher presented a set of management measures to nurture *service employees' innovative behaviour*. The later sections of this chapter included the description of research limitation, recommendations for future research and a summary of the thesis chapters.

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## APPENDICES

## Appendix 1: Research Information Sheet



### **Liverpool John Moores University Liverpool Business School**

#### **Research Information Sheet**

**Title of Project:** The Nature and Impact of Service Employees' Innovative Behaviour; a personal-interactive services perspective.

**Name of Researcher:** Mr. Farag M. Edghiem, Liverpool Business School, Liverpool John Moores University.

*"You are being invited to take part in a research study. Before you decide it is important that you understand why the research is being done and what it involves. Please take time to read the following information. Ask us if there is anything that is not clear or if you would like more information. Take time to decide if you want to take part or not."*

#### **1. What is the purpose of the study?**

##### **Research Scope**

This study investigates the role of service employees in idea generation and development conduct of service innovation. By reviewing the previous literature it becomes apparent that this area is very much under researched and requires further exploration.

The previous literature suggested that employees contribute effectively to services innovation without explaining how employees would implement such activities. If the aims of this research are met it is expected to contribute to the relevant body of knowledge by adding further insight and explanation of how service employees may contribute to service innovation.

The research is expected to take place over a period of two years; during this time a thorough review of the previous relevant literature would be carried out and a case study research method would be applied to achieve the aims of the study. A combination of qualitative research methods would be employed to investigate the selected organisation (case study) viable for research, including semi-structured interviews, direct observation and review of archival record.

##### **Study Aims:**

- To critically review the literature relevant to *service employees' innovative behaviour*.
- To evaluate the nature and impact of *service employees' innovative behaviour*.
- To determine and evaluate the influence of contextual factors affecting *service employees' innovative behaviour*.
- To compare and contrast between employees' *innovative behaviour* and the impact of

contextual factors within the three researched case studies.

## **2. Do I have to take part?**

Participation in this research is non-obligatory. However, if you decide to take part it is strongly advised that you carefully read this information sheet and sign the participant consent form. During taking part in the study, you have the right to withdraw without giving any reasons and your decision will not affect your rights.

## **3. What will happen to me if I take part?**

Research participants will be invited to semi-structured interviews that should last for a period between one to two hours. During interviews, participants will be asked open-ended questions and the researcher may occasionally intervene to verify any unclear answers.

Upon participants' permission, observation of service delivery environment and staff meetings will take place without any interruption or disturbance to the course of work. The remarks and information collected during observing participants will be dealt with the utmost confidentiality.

## **4. Are there any risks / benefits involved?**

There are no obvious risks associated with this type of research. Yet, as all interviews will be held within your work environment, and to eliminate any elements of risk or inconvenience, all management health and safety regulations will be strictly adhered to.

The potential benefits for participating in this study generally include; increasing theoretical awareness of the research topic and industry contemporary approaches and innovation projects.

## **5. Will my taking part in the study be kept confidential?**

Participants' identities will be made anonymous contemporarily with preparing the collected data for analysis. However, any data of sensitive or personal nature will be dealt with highest confidentiality.

Thank you for your valuable participation and your co-operation is highly appreciated.

Contact details:

Researcher: Mr. Farag M. Edghiem

Email: f.xxxxxx@xxxx.ljmu.ac.uk

Research Supervisor: Dr. Karim Menacere, Senior lecturer

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Address: Liverpool Business School, Liverpool John Moores University, Redmond's Building, Clarence Street, Liverpool 3, L3 5UG

\* Note: When completed a copy of this form was given to the participant and another copy was kept by the researcher.

## Appendix 2: Email Response from Professor Faïz Gallouj

Hello Farag,

The last research focused on innovation indicators was on innovation in public services. It was achieved by Markus Bugge and Carter Bloch. See their publication and others (including mine) in a special issue of Structural change and economic dynamics (2013). However in the more general literature on innovation in services, you may find ideas to build your own indicators for the specific sector of hospitality.

See also Den Hertog et al. (2011), Measuring innovation in low tech service industry: the case of the Dutch hospitality industry, The Service Industries Journal.

Good luck!

Faïz Gallouj



Appendix 3: List of Participating Interviewees

## Andromeda Hotel Lisbon Interviewees' List

*Level One*

<b>Interviewee</b>	<b>Length of Interview (hours : minutes : seconds)</b>
HR Director and Training/Quality Manager (Level 2)	Focus Group (00:34:22)
Front Office Manager	Interview 1 (00:57:14) Interview 2 (00:16:48)
Food and Beverage Director	Interview (01:24:29)
Deputy General Manager	Interview (01:27:23)
Information Technology Manager	Interview (00:47:11)
Human Resources Director	Interview (00:50:43)

*Level Two*

<b>Interviewee</b>	<b>Length of Interview (hours : minutes : seconds)</b>
Front Office Supervisor	Interview (00:04:50)
Electrician	Interview (00:39:17)
Sales Executive	Interview (00:59:58)
Housekeeping Supervisor	Interview (00:51:21)
Security Manager	Interview 1 (00:19:53) Interview 2 (00:11:42)
Food and Beverage Assistant Director	Interview (00:39:28)
Head Barman	Interview (00:58:11)
Training and Quality Manager	Interview (00:59:14)
Cook	Interview (00:36:42)
Porter Supervisor	Interview (00:34:44)
Front Office Shift Leader/Guest Relations Agent 1 (Level 3)	Focus Group (00:38:38)

*Level Three*

<b>Interviewee</b>	<b>Length of Interview (hours : minutes : seconds)</b>
Front Office Receptionist 1	Interview (00:22:30)
Front Office Receptionist 2	Interview (00:46:40)
Food and Beverage Waitress	Interview (00:30:56)
Guest Relations Agent 2	Interview (00:29:42)

## Mizar Prague Hotel Interviewees' List

*Level One*

<b>Interviewee</b>	<b>Length of Interview (hours : minutes : seconds)</b>
General Manager	Interview (00:45:20)
Front Office Manager	Interview 1 (00:36:06) Interview 2 (00:30:28)
Human Resources Director	Interview (00:40:19)
Food and Beverage Director	Interview (00:39:11)
Information Technology Manager	Interview (00:29:35)
Finance Director	Interview (00:45:21)
Head Chef	Interview (00:43:00)

*Level Two*

<b>Interviewee</b>	<b>Length of Interview (hours : minutes : seconds)</b>
Front Office Assistant Manager	Interview (00:34:13)
Assistant Director of Finance	Interview (00:32:24)
Health and Safety Manager	Interview (00:37:50)
Sales Manager	Interview (00:22:21)
Food and Beverage Supervisor	Interview (00:52:03)
Manager of Duty	Interview (00:47:53)
Marketing Coordinator	Interview (01:05:32)

*Level Three*

<b>Interviewee</b>	<b>Length/Type of Interview (hours : minutes : seconds)</b>
SPA Receptionist	Interview (00:33:22)
Front Office Receptionist	Interview (00:38:51)
Front Office Trainee Receptionist	Interview (00:40:17)
Front Office Receptionist (Concierge)	Interview (00:06:07 -withdrawn)
Food and Beverage Waitress	Interview (00:46:19)

## Andromeda Hotel London Interviewees' List

*Level One*

<b>Interviewee</b>	<b>Length/Type of Interview (hours : minutes : seconds)</b>
Human Resources Director	Interview (00:49:19)
Director of Engineering	Interview (00:38:43)
Executive Chef	Interview (00:17:00)
Information Technology Manager	Interview 1 (00:40:15) Interview 2 (01:05:22)
Front Office Manager/Lead Receptionist (Level 2)	Focus Group (00:26:53)
General Manager	Interview (00:48:37)
Director of Sales and Marketing	Interview (00:28:53)
Hotel Manager	Interview (00:21:03)
Director of Finance	Interview (00:21:35)
Director of Sales/Reservations Manager (Level 2)	Focus Group (00:28:56)

*Level Two*

<b>Interviewee</b>	<b>Length/Type of Interview (hours : minutes : seconds)</b>
Human Resources Manager/Human Resources Talent Officer (Level 3)	Focus Group (00:32:33)
Special Visits Executive/Conference and Events Manager/Middle Eastern and Diplomatic Sales Manager	Focus Group (00:45:05)
Head Therapist	Interview (00:13:58)
Guest Relations Manager	Interview (00:21:23)
Executive Housekeeper	Interview (00:28:15)
Banqueting Operations Manager	Interview (00:14:44)
Head of Concierge	Interview (00:25:34)
Lobby Lounge Manager	Interview (00:22:18)

*Level Three*

<b>Interviewee</b>	<b>Length/Type of Interview (hours : minutes : seconds)</b>
Accountant	Interview (00:34:10)
Front Office Receptionist (Concierge)	Interview (00:18:16)
Front Office Receptionist	Interview (00:41:09)
Talent and Development Officer	Interview (00:27:59)
Porter 1/Porter 2	Focus Group (00:27:31)

## Appendix 4: Initial Interview Data Organisation

Audio Track	Time (hours : minutes : seconds)	Remarks
Job Role & Experience	00:00:01-00:01:45	
Personal View (Principles)	00:01:46-00:03:45	▪ Four parameters
Meetings	00:03:46-00:07:31	▪ Planning ▪ Monthly action plan ▪ Idea generation & sharing
Relationship with Employees	00:07:32-00:09:14	▪ Principles ▪ Sensitivity to employees
Innovation Examples	00:09:15-00:17:11	▪ Examples in monthly/weekly meetings ▪ Runners
Meetings	00:17:14-00:18:34	▪ HODs ▪ Idea generation
Outsourced Employees	00:18:35-00:18:53	
Daily Briefing	00:18:55-00:24:09	▪ Improving ▪ Informing ▪ 'debriefing' ▪ Pro-activity ▪ Meetings
Control	00:24:10-00:25:27	
Innovation Examples	00:25:28-00:40:45	▪ Late breakfast ▪ Tailored drinks menu ▪ Mini action plan ▪ Tailored VIP service
Motivation	00:40:47-00:48:15	
Junior V Executive Employees	00:48:17-00:50:48	
Corporate Idea Sharing	00:50:51-00:54:45	
Cross Training	00:54:47-00:56:16	
Relationship Building/Nurturing	00:56:17-00:59:41	
Corporate Executives Visits	00:59:42-01:03:06	
It Integration	01:03:08-01:07:25	▪ Print out ▪ Knowledge ▪ Mistake in F&B profiles
Motivation	01:07:27-01:09:40	▪ Problem solver
Control	01:09:41-01:11:11	
Opera Example	01:11:13-01:14:12	▪ Not creative but problem solver
Food and Beverage Department Structure	01:14:13-01:18:00	▪ Events department is part of sales department
Conversation	01:18:05-01:21:30	▪ Methodology ▪ Qualitrix
Team Building Events	01:21:31-01:24:30	

## Appendix 5: Categories of Data Analysis

<div>Attitudes towards Innovation</div>			
<b>Individual Innovative Behaviour Conduct</b>			
<b>Determining Factors</b>  <div>Management Procedures</div> <div>Motivation</div>	<b>Mandatory Conduct</b>  <div>Frontline Interaction</div> <div>Mandatory Idea Generation</div>	<b>Quasi-Mandatory Conduct</b>  <div>Idea Moderation</div> <div>Proactive Idea Initiation</div>	<b>Voluntary Conduct</b>  <div>Idea Search</div> <div>Persuasion</div>
<b>Micro Cases</b>			
<b>Case Study 1</b> <div>Energy Efficient Hotel</div>	<b>Case Study 2</b> <div>Restaurants/ Lobby Refurbishment</div>	<b>Case Study 3</b> <div>Digital Menu</div>	<div>Senior Management</div>
<div>Angolan Market Development</div>	<div>Private Sauna</div>	<div>Children's Welcoming Gesture</div>	<div>Middle Management</div>
<div>Monthly Cultural Agenda</div>	<div>Non Smoking Lobby/Restaurants</div>	<div>Automated Accounting Template</div>	<div>Junior Employees</div>

Appendix 6: Participant Email Copy



**Liverpool John Moores University  
Liverpool Business School**

**EMAIL COPY**

Dear (name of target respondent)

As per our telephone conversation, I am currently conducting my doctoral research on investigating service employees' innovative behaviour. The aim of my research is to investigate service employees' innovative behaviour in relation to idea generation and development aspect of service innovation. The study intends to explore employees' innovative behaviour patterns and determinants within personal-interactive type of services, where the interaction between customers and 'front line' employees is significant; this type of services is appropriately represented by the hospitality sector.

The proposed research methodology consists of a number of qualitative research methods such as in-depth interviews, focus groups and observation of which among all the identity of interviewees will not be revealed without their consent. The permission of disseminating the outcome of the research will also be subject to your organisation (name of organisation) consent before publication. I hope that you would kindly approve my request and if you wish to have any further explanation please do not hesitate to contact me.

Kind Regards

Mr. Farag M. Edghiem  
Doctoral Researcher  
Rm. 2.18  
Liverpool Business School  
Liverpool John Moores University  
Redmonds Building  
Clarence Street  
Liverpool  
L3 5UG  
Mob: +44-78XXXXXX98

## Appendix 7: Andromeda Hotels Confidentiality Agreement

### CONFIDENTIALITY AGREEMENT

This agreement is dated **13.06.2013**

#### **PARTIES**

(1) XXX XXXXXXXX incorporated and registered in XXXXX whose registered office is at X XXXXXX XXXXXX, XXXXXXXX XXX XXXX (**Disclosing Party**).

(2) Mr Farag M. Edghiem, whose registered office is Rm. 2.18 Liverpool Business School, Liverpool John Moores University, Redmonds Building, Clarence Street, Liverpool, L3 5UG, UK (**Recipient**).

Each a "**Party**" and together the "**Parties**"

#### **BACKGROUND**

The Disclosing Party wishes to disclose to the Recipient, and wishes to ensure that the Recipient maintains the confidentiality of, the Disclosing Party's Confidential Information for the purposes of (i) enabling the Recipient to evaluate and advise on the feasibility on matters relating to [ ] the Disclosing Party (the "**Purpose**").

#### **AGREED TERMS**

##### **1. DEFINITIONS AND INTERPRETATION**

**Confidential Information:** all confidential information (however recorded or preserved) disclosed or made available, directly or indirectly, by the Disclosing Party or its employees, officers, representatives or advisers to the Recipient and its representatives concerning:

(a) the Purpose; or

(b) any information in whatever form (including, without limitation, in written, oral, visual or electronic form, or on tape or disk) relating to the Disclosing Party's business and that is disclosed to the Recipient in connection with the Purpose and that would reasonably be regarded as confidential given the Purpose.

Confidential Information does not apply to any information that:

(a) has become public knowledge other than through disclosure by the Recipient in breach of this agreement

(b) has been received by the Recipient from a third party who did not, to the Recipient's knowledge, acquire it in confidence from the Disclosing Party or from someone owing a duty of confidence to the Disclosing Party;

(c) was lawfully in the possession of the Recipient before the information was disclosed to it by the Disclosing Party;  
or

(d) the Parties agree in writing is not confidential or may be disclosed.

## **2. OBLIGATIONS OF THE RECIPIENT**

2.1 The Recipient shall keep the Disclosing Party's Confidential Information confidential and, except with the prior written consent of the Disclosing Party, shall not, and shall procure that its representatives shall not:

- (a) Use or exploit the Confidential Information in any way except for the Purpose; or
- (b) Disclose or make available the Confidential Information in whole or in part to any third party, except as expressly permitted by this agreement; or
- (c) Copy, reduce to writing or otherwise record the Confidential Information except as reasonably necessary for the Purpose.

2.2 The Recipient may only disclose the Disclosing Party's Confidential Information to the extent required:

- (a) To people whom the Disclosing Party agrees in writing may receive the information; or
- (b) To the extent permitted by clause 2.4.

2.3 The Recipient shall:

- (a) Inform any person to whom it discloses the Confidential Information that the information is confidential; and
- (b) Procure that any person to whom it discloses the information (other than disclosures under clause 2 complies with this agreement as if they were the Recipient and, if the Disclosing Party reasonably requests, procure that they maintain the confidential nature of the information relating to the Disclosing Party.

2.4 The Recipient may disclose Confidential Information only to the extent required by law, by any governmental or other regulatory authority or by a court or other authority of competent jurisdiction provided that, to the extent it is legally permitted to do so, it gives the Disclosing Party as much notice of such disclosure as possible and, where notice of disclosure is not prohibited and is given in accordance with this clause 2.4, the Recipient takes into account the reasonable requests of the Disclosing Party in relation to the content of such disclosure.

## **3. RETURN OF INFORMATION AND ANNOUNCEMENTS**

At the request of the Disclosing Party, the Recipient shall promptly return to the Disclosing Party all documents and materials (and any copies) containing, reflecting, incorporating, or based on the Disclosing Party's Confidential Information and erase all the Disclosing Party's Confidential Information from its computer systems to the extent possible. The provisions of this clause shall continue to apply to any such documents and materials retained by the Recipient.

## **4. REMEDIES**

Each party acknowledges that damages at law may be inadequate to protect the other against, and that damages would not be adequate compensation for, a breach of this Agreement. In the event of a breach of this Agreement by a party, that party hereby in advance agrees and consents to the granting of an injunction against it to prevent disclosure or use by it of the other party's Confidential Information.



## 5. TERM AND TERMINATION

The Recipient shall keep confidential and not use for any purpose, any reports, valuations, correspondence, documents, information or other papers that it has prepared or received in connection with the proposed Purpose for any other matter other than the Purpose.

## 6. GOVERNING LAW AND JURISDICTION


This Agreement constitutes the entire agreement and understanding between the parties in respect of the Confidential Information and supersedes all previous agreements, understandings and undertakings, in such respect. The interpretation construction and effect of this Agreement shall be governed and construed in all respects in accordance with the Laws of XXXXX and the parties hereby submit to the non-exclusive jurisdiction of the XXXXXXXX Courts.

.....

**Director of Disclosing Party:**

For and on behalf of XXX XXXXXXXX

I hereby acknowledge receipt and accept the contents of this letter

Signed ..... 

**Recipient**

## Appendix 8: Participant Information Sheet



### Participant Information Sheet

**Title of Study:** The Nature and Impact of Service Employees' Innovative Behaviour; a personal-interactive services perspective.

You are being invited to take part in this Doctoral research through completing the attached questionnaire. It is important that you understand the scope and aims of this study before taking part. It is advisable to thoroughly read this information sheet and forward any comments or questions to the researcher.

#### **Study Aims:**

- To critically review the literature relevant to *service employees' innovative behaviour*.
- To evaluate the nature and impact of *service employees' innovative behaviour*.
- To determine and evaluate the influence of contextual factors affecting *service employees' innovative behaviour*.
- To compare and contrast between employees' *innovative behaviour* and the impact of contextual factors within the three researched case studies.

#### **Research Scope**

This study investigates the role of service employees in idea generation and development conduct of service innovation. By reviewing the previous literature it becomes apparent that this area is very much under researched and requires further exploration.

The previous literature suggested that employees contribute effectively to services innovation without explaining how employees would implement such activities. If the aims of this research are met it is expected to contribute to the relevant body of knowledge by adding further insight and explanation of how service employees may contribute to service innovation.

The research is expected to take place over a period of two years; during this time a thorough review of the previous relevant literature would be carried out and a case study research method would be applied to achieve the aims of the study. A combination of qualitative research

methods would be employed to investigate the selected organisation (case study) viable for research, including semi-structured interviews, direct observation and review of archival record.

**Thank you for your valuable participation and your co-operation is highly appreciated.**

**Contact details:**

**Researcher: Mr. Farag M. Edghiem**

**Email:** f.xxxxxx@xxxx.ljmu.ac.uk

**Research Supervisor: Dr. Karim Menacere, Senior lecturer**

**Email:** k.xxxxxxxxx@ljmu.ac.uk **Tel:** 0044 (0)151 231 XXXX

**Address:** Liverpool Business School, Liverpool John Moores University, Redmond's Building, Clarence Street, Liverpool 3, L3 5UG

\* Note: When completed a copy of this form was given to the participant and another copy was kept by the researcher.

Appendix 9: Participant Consent Form**LIVERPOOL JOHN MOORES UNIVERSITY  
CONSENT FORM**

**Research Title:** The Nature and Impact of Service Employees' Innovative Behaviour; a personal-interactive services perspective.

**Researcher:** Mr Farag M. Edghiem of Liverpool Business School

1. I confirm that I have read and understand the information provided for the above study. I have had the opportunity to consider the information, ask questions and have had these answered satisfactorily ☐

2. I understand that my participation is voluntary and that I am free to withdraw at any time, without giving a reason and that this will not affect my legal rights. ☐

3. I understand that any personal information collected during the study will be anonymised and remain confidential ☐

4. I agree to take part in the above study (if appropriate please specify the type of study or particular intervention you are seeking consent for - eg focus group, interview, training programme) ☐

*For studies involving the use of audio / video recording of interviews, focus groups etc. or where there is a possibility that verbatim quotes from participants may be used in future publications or presentations please include the following:*

5. I understand that the interview/focus group will be audio /video recorded and I am happy to proceed ☐

6. I understand that parts of our conversation may be used verbatim in future publications or presentations but that such quotes will be anonymised. ☐

Name of Participant	Date	Signature
---------------------	------	-----------

Name of Researcher	Date	Signature
--------------------	------	-----------

Name of Person taking consent (if different from researcher)	Date	Signature
---	------	-----------

*Note: When completed 1 copy for participant and 1 copy for researcher*

## Appendix 10: Management Systems of Practice SOPs

HOUSEKEEPING STANDARD OPERATIONAL PROCEDURES			
SOP1	Housekeeping office coordinator Answering guest phone	SOP16	Housekeeping office coordinator Handling and issuing of iPods
SOP2	General SOP Entering guest room	SOP17	Housekeeping Coordinator Opera shut down procedures
SOP3	General SOP Out of order rooms	SOP18	Traces and guest profile notes How to resolve, edit and put new traces
SOP4	General SOP Room status abbreviations	SOP19	Housekeeping coordinator Show room – set up standard
SOP5	General SOP Gate pass procedure	SOP20	Housekeeping Coordinator OSE inventories
SOP6	General SOP Discrepancy report	SOP21	Weekly and monthly inventories Monthly inventories
SOP7	General SOP Lost and found procedures	SOP22	Guest bedroom Reporting of missing/broken items in the room
SOP8	Grooming	SOP23	Office coordinator Triton – console review
SOP9	General SOP Do Not Disturb procedures	SOP24	Housekeeping coordinator Closing the department
SOP10	General SOP How to use the steaming machine	SOP25	Housekeeping Coordinator How to print all arrival/VIP arrival list
SOP11	Housekeeping coordinator Opening the department	SOP26	Housekeeping Coordinator Morning supervisor list allocation
SOP12	Housekeeping office coordinator Allocations of morning room attendants work sheets	SOP27	Housekeeping Coordinator Morning supervisor list allocation
SOP13	Housekeeping office coordinator Allocations of evening room attendants work sheets	SOP28	Guest bedroom cleaning Bed making
SOP14	Housekeeping office coordinator Handling and issuing of keys	SOP29	Bathroom cleaning Amenities for cleaning
SOP15	Housekeeping office coordinator Handling and issuing of phones	SOP30	Bathroom set-up Shower room set-up

23/05/13

MB

INDEX

HOUSEKEEPING STANDARD OPERATIONAL PROCEDURES			
SOP31	Bathroom set-up How to fold bathroom linen – face cloths	SOP46	Housekeeping Porter Set-up of pantries for linen
SOP32	Cleaning of corridor How to clean corridor	SOP47	Housekeeping Porter Set-up of pantries for supplies
SOP33	Guest bedroom cleaning Vacuuming the bedroom	SOP48	Cleaning of room attendant pantries How to clean the pantry
SOP34	Departure cleaning Amenities for cleaning	SOP49	Handling a guest request Guest laundry pick-up
SOP35	Guest bedroom cleaning Occupied room cleaning procedure	SOP50	Handling a guest request Guest laundry delivery
SOP36	Guest bedroom cleaning Turndown service	SOP51	Shoe cleaning and polishing service Picking up and delivering shoes
SOP37	Guest bedroom cleaning Bedroom dusting procedures	SOP52	Housekeeping porter On call items/special guest request handling
SOP38	Guest bedroom set-up Wardrobe set-up	SOP53	Housekeeping porter How to descale kettles
SOP39	Spring clean PRP rooms	SOP54	Housekeeping porter How to set-up extra bed
SOP40	Guest bedroom cleaning Mattress rotation	SOP55	
SOP41	Room attendants trolleys How to set-up day shift trolley	SOP56	Housekeeping porter How to spot clean carpets
SOP42	Room attendants trolley How to set-up evening shift trolleys	SOP57	Housekeeping porter How to operate carpet cleaning machine
SOP43	Guest room cleaning How to clean balcony	SOP58	Housekeeping porter How to operate ozone machine
SOP44	Guest bathroom cleaning How to clean bathroom wooden blinds	SOP59	Housekeeping porter How to operate the air cleaning machine
SOP45	Guest bedroom cleaning How to clean sun mirrors	SOP60	Night porter duty How to fill the supplies kit for room attendant

23/05/13

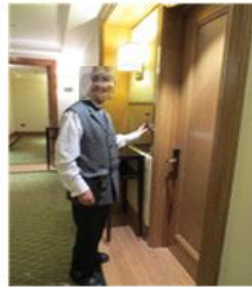
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INDEX

Carroll Hotel London

Guest Rooms

Room	Name	Room No.	Room Type	In Date	Out Date	Room Status	Room No.	Room Type	In Date	Out Date	Room Status
101	Mr. Smith	101	Single Room	2010-10-10	2010-10-11	Occupied	101	Single Room	2010-10-10	2010-10-11	Occupied
102	Mr. Jones	102	Single Room	2010-10-10	2010-10-11	Occupied	102	Single Room	2010-10-10	2010-10-11	Occupied
103	Mr. Brown	103	Single Room	2010-10-10	2010-10-11	Occupied	103	Single Room	2010-10-10	2010-10-11	Occupied
104	Mr. White	104	Single Room	2010-10-10	2010-10-11	Occupied	104	Single Room	2010-10-10	2010-10-11	Occupied
105	Mr. Black	105	Single Room	2010-10-10	2010-10-11	Occupied	105	Single Room	2010-10-10	2010-10-11	Occupied
106	Mr. Green	106	Single Room	2010-10-10	2010-10-11	Occupied	106	Single Room	2010-10-10	2010-10-11	Occupied
107	Mr. Grey	107	Single Room	2010-10-10	2010-10-11	Occupied	107	Single Room	2010-10-10	2010-10-11	Occupied
108	Mr. Yellow	108	Single Room	2010-10-10	2010-10-11	Occupied	108	Single Room	2010-10-10	2010-10-11	Occupied
109	Mr. Blue	109	Single Room	2010-10-10	2010-10-11	Occupied	109	Single Room	2010-10-10	2010-10-11	Occupied
110	Mr. Purple	110	Single Room	2010-10-10	2010-10-11	Occupied	110	Single Room	2010-10-10	2010-10-11	Occupied
111	Mr. Pink	111	Single Room	2010-10-10	2010-10-11	Occupied	111	Single Room	2010-10-10	2010-10-11	Occupied
112	Mr. Brown	112	Single Room	2010-10-10	2010-10-11	Occupied	112	Single Room	2010-10-10	2010-10-11	Occupied
113	Mr. Green	113	Single Room	2010-10-10	2010-10-11	Occupied	113	Single Room	2010-10-10	2010-10-11	Occupied
114	Mr. Yellow	114	Single Room	2010-10-10	2010-10-11	Occupied	114	Single Room	2010-10-10	2010-10-11	Occupied
115	Mr. Blue	115	Single Room	2010-10-10	2010-10-11	Occupied	115	Single Room	2010-10-10	2010-10-11	Occupied
116	Mr. Purple	116	Single Room	2010-10-10	2010-10-11	Occupied	116	Single Room	2010-10-10	2010-10-11	Occupied
117	Mr. Pink	117	Single Room	2010-10-10	2010-10-11	Occupied	117	Single Room	2010-10-10	2010-10-11	Occupied
118	Mr. Brown	118	Single Room	2010-10-10	2010-10-11	Occupied	118	Single Room	2010-10-10	2010-10-11	Occupied
119	Mr. Green	119	Single Room	2010-10-10	2010-10-11	Occupied	119	Single Room	2010-10-10	2010-10-11	Occupied
120	Mr. Yellow	120	Single Room	2010-10-10	2010-10-11	Occupied	120	Single Room	2010-10-10	2010-10-11	Occupied



1. Before entering a guest room, check on your list/ipod the name of the guest.

2. Ring the door bell and announce clearly 'housekeeping'.

Wait for 10-15 seconds, and if no answer, ring the doorbell again and knock on the door and announce 'housekeeping'.

4. Wait for another 10-15 seconds before slowly opening the door to a 45 degree angle and asking: 'housekeeping, good morning/afternoon/evening, may I come in?'. Do not open the door fully at this stage.



5. If the guest replies, use the appropriate greeting, 'good morning, afternoon/evening Mr/Mrs X, may I come and clean/turn down/deliver your room?' and wait for a response.

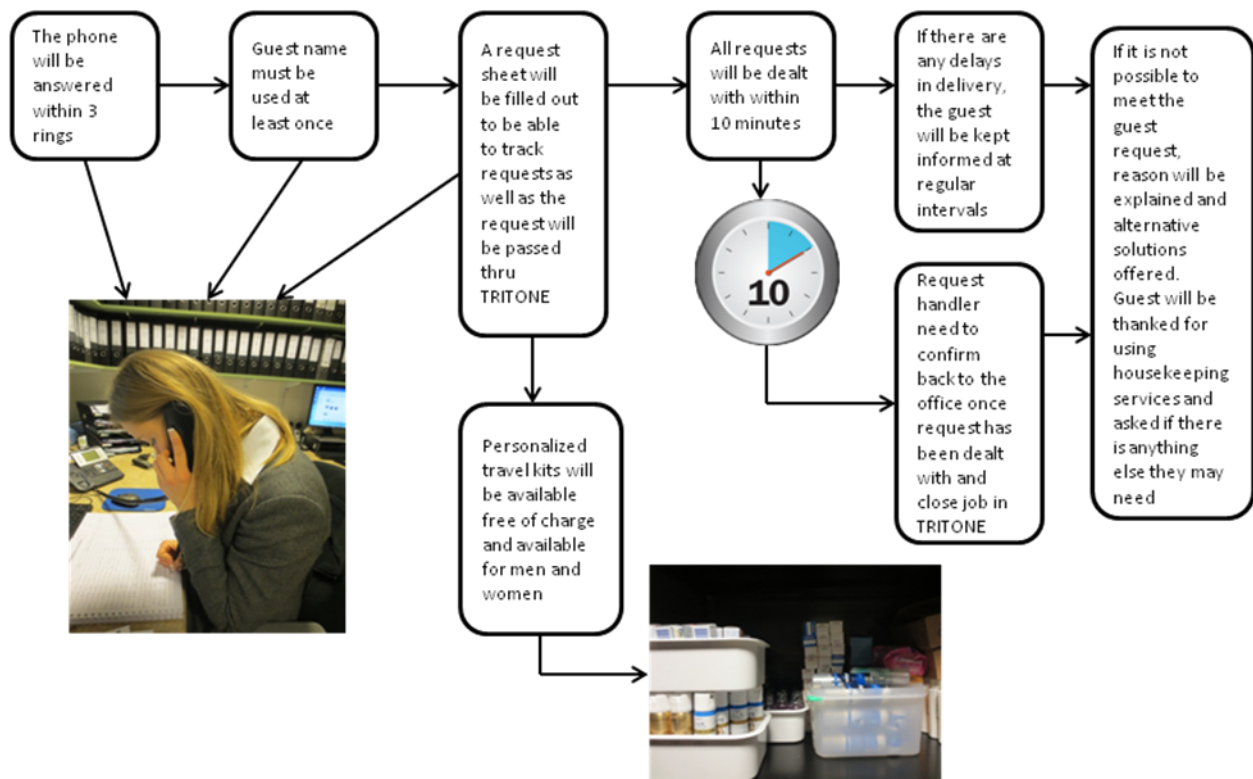


6. If the guest is not present, proceed with your task.

12/03/2013

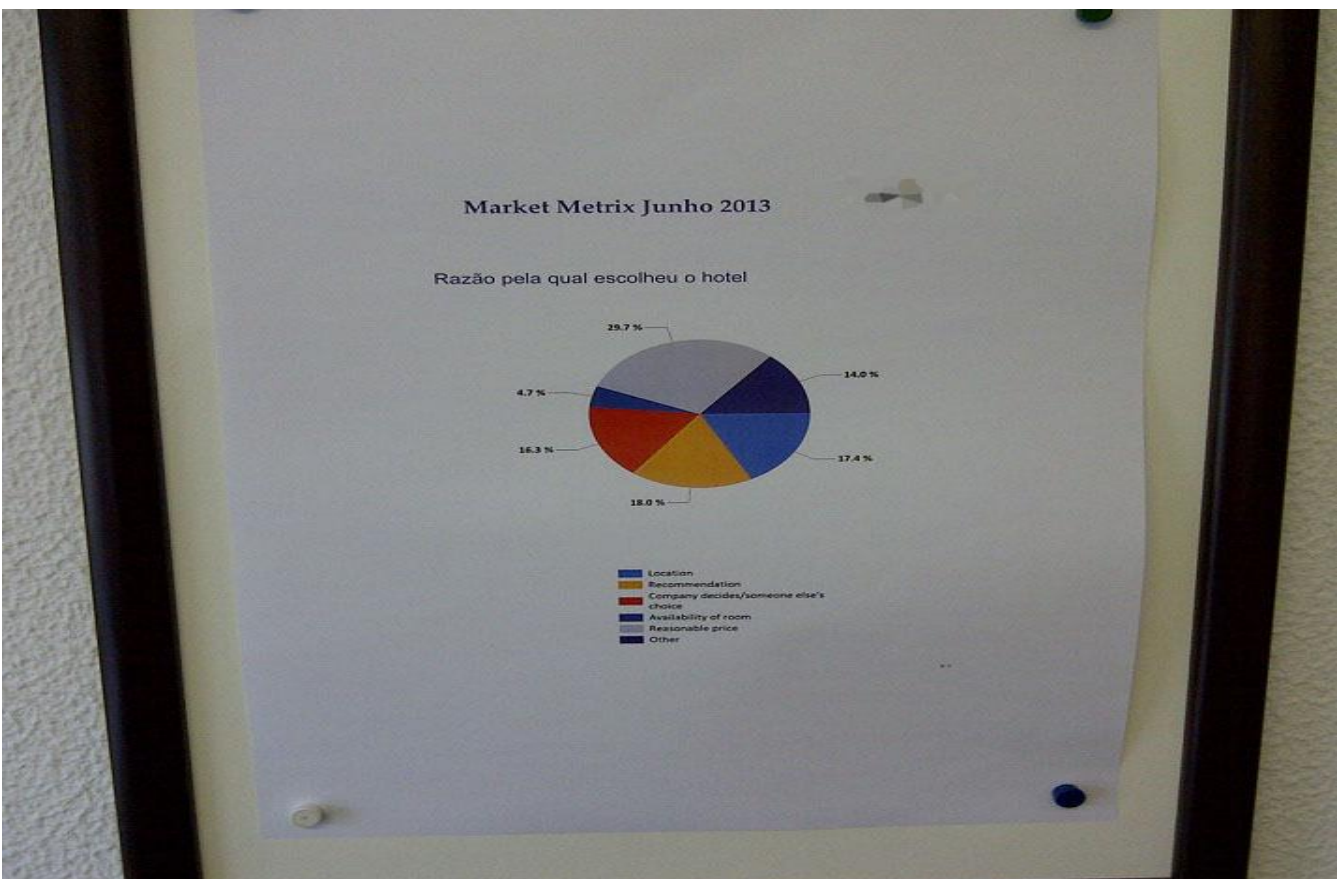
Viktorija Korosteleva

SOP 2





## Appendix 11: Market Metrix Results





Appendix 12: Thematic Terrace Lounge

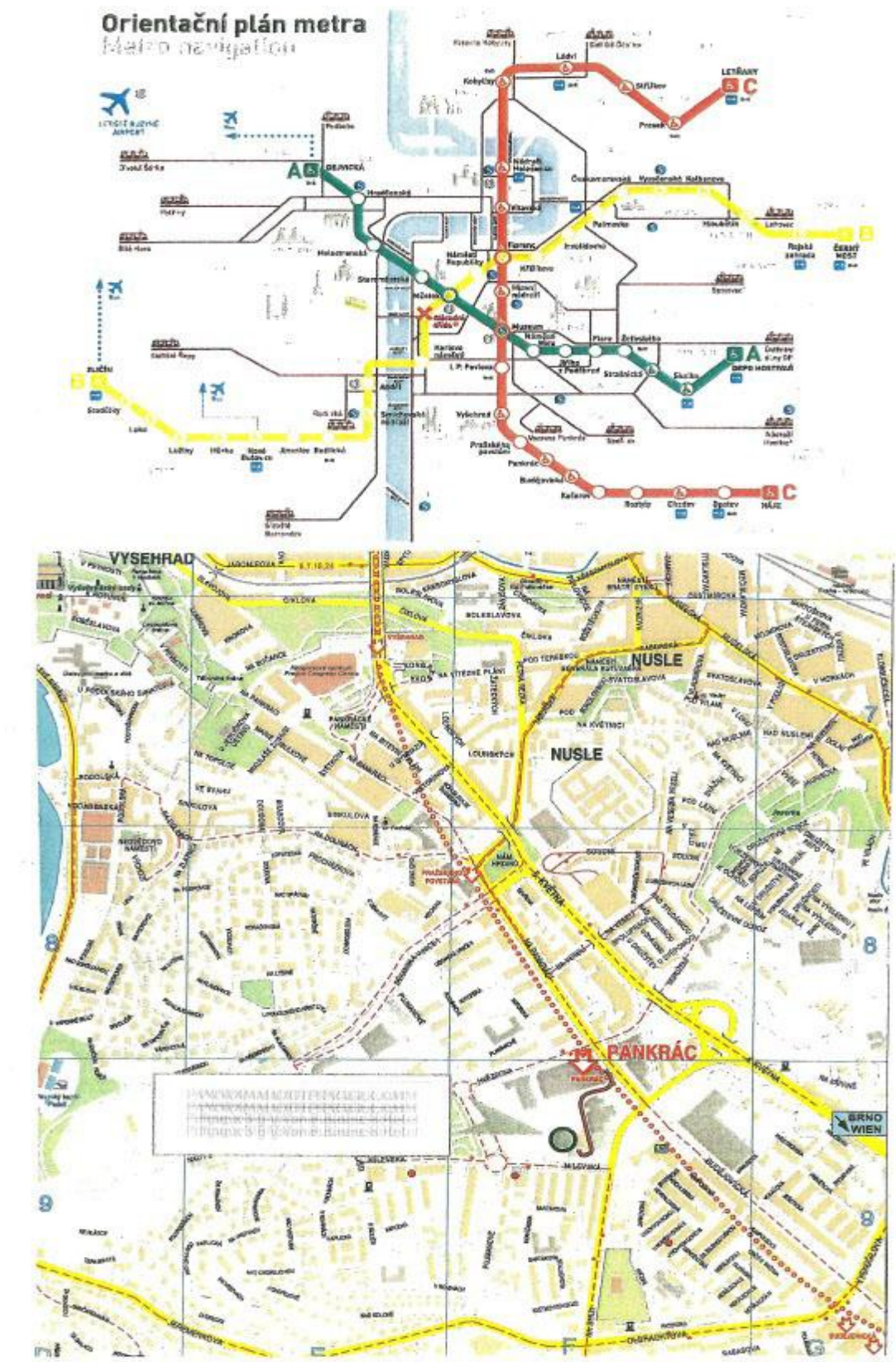




## Appendix 13: Corporate Values




## Appendix 14: Prague City Map





# Appendix 15: GoConcierge



03 September 2013

Search Locations

Custom Directions

Reports

GoConcierge

Request Change

Task Reports

Calculator

Guest Itinerary

Support

View Inventory

Administration

Exit

Concierge (Standard View)

Text Filter: 2

Weather
88°Cheers
TFL

23 January 2014

Flights
Tickets
Today

00:00

01:00

02:00

03:00

04:00

05:00

06:00

07:00

08:00

09:00

10:00

11:00

12:00

13:00

14:00

15:00

16:00

17:00

18:00

19:00

20:00

21:00

22:00

23:00

Double-click to add a new task

January 2014

Su Mo Tu W Th F Sa

29 30 31 1 2 3 4

5 6 7 8 9 10 11

12 13 14 15 16 17 18

19 20 21 22 23 24 25

26 27 28 29 30 31 1

Transportation

Restaurant Reservations

Tickets

Spa & Wellness

Boarding Passes

BAA

Eurostar

Hedonism Hall

Street Map

Coastal / Post

Favorite Venues

Concierge Docs

Barber Services

Lost & Found

TBC Incoming

TBC Outgoing




Courier Tracking

Luggage Storage

Valet Parking

## Appendix 16: Guest Comments Card

For each item listed below, please tell us if we met your expectations. If any particular section does not apply, please leave blank.

	Better than expected 	As expected 	Less than expected 
<b>Your Experience</b>			
Friendliness of front desk staff .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Efficiency of check-in .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Front desk knowledge of hotel facilities .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overall courtesy of all staff .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Use of your name throughout stay .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Responsiveness to service requests .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Your Room</b>			
Room cleanliness .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bathroom cleanliness .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Friendliness of housekeeping staff .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Room furnishings and amenities .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Variety of minibar items .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Condition of room furnishings .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Proper functioning of room technologies (internet, entertainment system, telephone) .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Food &amp; Beverage</b>			
Please enter the name of the venue you would like to evaluate: .....			
Hospitality of staff .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Attentiveness of server .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Server's knowledge of menu selections .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Variety of restaurant menu .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



## Appendix 17: Frontline Interaction SOPs

FFORCI:00:03	All reservation details must be reviewed, confirmed and completed in advance of the guest's arrival and should meet all the guest's requirements	
FFORCI:00:04	Check-in procedure must be completed and the guest provided with a key or escorted to their room within five minutes of the time they approach the desk	Refer to Brand Identity Guidelines, Sections 8.2 & 8.3
FFORCI:00:05	Registration cards must conform to the approved template	Refer to Brand Identity Guidelines, Section 8.1
FFORCI:00:06	All registration cards must be made ready before guest's arrival with all the information provided at the time of booking, including email address, address and telephone number, and presented to the guest. Explain the details the guest needs to fill in (if any) and where to sign	Refer to Brand Identity Guidelines, Section 8.2
FFORCI:00:07	Any special needs from the guest history file must be noted on registration card and team members must ask guests to check that all details are correct. Team members must also confirm with guests the reservation details, including type of room, length of stay and special requests	
FFORCI:00:08	Front office team members must acknowledge guests immediately on entrance with a smile, welcome guest to hotel and offer assistance. If team member is busy on the telephone or with another guest, new guest must be acknowledged with a nod, a smile and eye contact	
FFORCI:00:09	Guests must be greeted by name where possible and their name should be used at least twice during each transaction. Team members must ask guests to provide them with proof of identity (passport/ ID)	
FFORCI:00:10	All collateral that is to be positioned on the front desk must conform to guidelines and must be clean and current with no tears, rips or stains	Refer to Brand Identity Guidelines
FFORCI:00:11	A functioning hotel pen that conforms to guidelines must be provided for the guest to sign the registration card	Refer to Brand Identity Guidelines, Section 4.2
FFORCI:00:12	Team member must present all items to guests hand to hand (i.e. pen or key), these are not to be slid across the desk but correctly handed in a professional manner	

FFOEH:00:06	Front office team members should be proficient in English and the local language. Ideally, there should be team members with additional languages	
FFOEH:00:07	If team members are engaged with a guest and approached by another guest they must make immediate eye contact and break off as appropriate, to acknowledge the new arrival verbally suggesting a suitable time to deal with their request	
FFOEH:00:08	Team members must maintain eye contact with the guest. If they need to leave the guest, an apology must be offered	Refer to 'Posture' SOP's
FFOEH:00:09	Team members must not engage in private, or foreign language, conversation in front of guests	!
FFOEH:00:10	Front office team members must anticipate a guest's needs by making appropriate suggestions and providing them with information	
FFOEH:00:11	Any use of the Hotel name and logo must conform to Corinthia brand standards and be visible, and in the correct locations	Refer to Brand Identity Guideline
FFOEH:00:12	Information on display panels must be grammatically accurate and spelled correctly in all languages used	Refer to Brand Identity Guideline
	<b>Registration and Check-In</b>	Refer to 'Check-In' & 'Group Check-In' SOP's
FFORCI:00:01	The front office team member displays a friendly and warm manner and smile when dealing with guests and personalizes the conversation in order to make the guest feel unique. Engage with each guest as an individual	
FFORCI:00:02	The front office desk must be manned at all times with the appropriate number of front office agents in relation to customer demand and occupancy levels	

## Appendix 18: Concierge Book

Concierge Book.xls [Compatibility Mode] - Microsoft Excel

Airlines					
Společnost	Adresa	telefon	Fax	Tel. na letiště	Web
Aeroflot	Truhlarská 5, P - 1	227 020 020			www
Air France	Jungmannova 750	233 090 933	233 090 906		www
Air Malta	Malá Stuparská 7	224 815 378	224 815 379		www
Alitalia	Vačlavské nám. 837	221 434 600	221 629 160		www
America Airlines	Na Rybníčku 1329/5	224 234 985	224 233 412		www
Austrian Airlines	Aviatická 12/1048	227 231 231	220 114 718		www
British Airways	Letiště Ruzyne	239 000 299	239 000 288		www
CSA, a.s.	V Celnici 5	239 007 007	224 314 273		www
Delta Air Lines	Národní 32	224 946 733	224 947 318		www
Deutsche Lufthansa	Aviatická 12/1048	234 008 234	234 008 295		www
Easy Jet		220 11 11 11			www
El Al Israel Airlines	Vačlavské nám. 33	224 226 624	224 226 623		www
Emirates Airlines	Letiště Ruzyne	220 11 11 11			www
Finnair	Letiště Ruzyne	220 117 540			www
Germanwings	Letiště Ruzyne	246 019 695			www
Iberia	Železná 14	224 324 989			www
JET2	Letiště Ruzyne	234 723 272			www
KLM	Letiště Ruzyne	220 113 737			www
Lufthansa	Aviatická 12/1048	234 008 234	234 008 295		www
LOT Polish airlines	Stepánská 45	222 317 524	222 326 817		www
Malev Hungarian A.	Letiště Ruzyne	220 11 11 11			www
Ryanair	Letiště Ruzyne	220 11 11 11			www
Scandinavian Airlines SAS	Aviatická 12/1048	220 116 031	220 115 306		www
SkyEurope Airlines	K Letišti 1017	246 096 096	220 118 593	220 113 314	www
Smart Wings	K Letišti 30/1068	900 166 565			www
Swire Int. Air Lines	Letiště Ruzyne	220 115 840			www
Travel Service a.s.	Letiště Ruzyne	220 11 5069			www
Turkish Airlines	Vačlavské nám. 19/3	234 708 708 - 9	234 708 718		www

Concierge Book.xls [Compatibility Mode] - Microsoft Excel

Muzea, galerie, vystavy v Praze					
Název	Ulice	Telefon	Druh	Web	
Aktivity Art Centre	Mikulandská 7, P1 Nove Mesto	224 323 218	starozitnosti	www	
Armádní Muzeum	U Památníku 2, Praha 3 Žizkov	973 204 924	muzeum	www	
Art Pro / Ceska Plastika /	Revolucni 20, P1 Stare Mesto	220 310 684	galerie	www	
Arzenal /moderni design Borek Šípek/	Valentinska 11, P1 Stare Mesto	224 814 099	galerie	www	
Atelier Josefa Sudka	Ujezd 30, P1 Mala Strana	251 510 760	galerie	www	
Bertramka Muzeum	Mozartova 169, P 5	257 317 465	muzeum	www	
Bilkova Vila	Mickiewiczova 1, P6 Hradcany	224 322 021	galerie	www	
Ceske muzeum hudby	Karmelitska 2/4, Praha 1 Mala Stana	257 327 285	muzeum	www	
Cesky Stredovek - Muzeum stredoveku	Staromestske nam. 13, P1 Stare Mesto	603 441 821	muzeum		
Chodovska vodni tvrz	Ledvinova 9, P4 Chodov	267 914 831	galerie	www	
Ceske muzeum výtvarných umění (The Czech museum of fine arts)	Husova 19-21, P1 Stare Mesto	222 220 218	muzeum	www	
Cisarska Konirna - Prazsky Hrad	Nadvoři II, P1 Hradcany	224 373 312	galerie	www	
Dorotheum GmbH Co KG	Ovocny Trh 2, P1 Stare Mesto	224 222 001	galerie	www	
Dům Piva (U Medvídků)	Na Perštýně 7		muzeum	www	
Dum U Kamenného zvonu - Galerie Hl. M. Prahy	Staromestske nam. 13, P1 Stare Mesto	224 827 526	galerie	www	
Dum u Zlateho Prstenu - Galerie Hl. M. Prahy	Tynska 6, P1 Stare Mesto	224 827 022-4	galerie	www	
Expozice Franze Kafky	nam. Franze Kafky 5, P1 Stare Mesto	222 321 675	muzeum		
Expozice historických lekáren /NM/	Nerudova 32, P1 Mala Strana	257 531 502	muzeum	www	
Franz Kafka Muzeum /Hergertova Cihelna/	Cihelna 2b, Praha 1 mala Strana	221 451 333	muzeum	www	
Hrdlickovo muzeum	Vinicna 7, Praha 2 Nove Mesto	221 951 111	muzeum	www	
Klausova Synagoga - Zidovske muzeum	U Stareho Hrbítova 1, Praha 1 St.M. Josef	222 310 302	muzeum	www	
Lapidarium /NM/	Vystaviste 422, P7 Holesovice	233 375 636	muzeum	www	
Letecke muzeum	Mladoboleslavska 902, P9 Kbely	973 207 511	muzeum	www	
Letohradek Hvezda	Liboc 25c, Praha 6 Liboc	235 357 938	muzeum	www	
Lobkovicky Palac /NM/	Jirska 3/3, Praha 1 Hradcany	257 535 121	muzeum	www	
Loosova Vila - Mullerova Vila	Nad Hradnim Vodojemem 14, P6 Stresovice	224 312 012	muzeum	www	
Loreta	Loretanske nam. 7/100, P1 Hradcany	220 516 740	muzeum	www	
Maiselova Synagoga - Zidovske muzeum	Maiselova 8-10, P 1 St. Mesto Josef	224 819 456	muzeum	www	
Morsky Svet	Vystaviste 422, P7 Holesovice	220 103 275	vystava	www	
Muzeum Alfonse Muchy	Panská 7, P1 Nove mesto	224 216 415	muzeum	www	
Muzeum Hlavniho mesta Prahy	Kořná 475/1, Praha 8 Karlin	224 816 772 - 3	muzeum	www	
Muzeum Kampa - Sovovy Mlyn	U Sovovych Mlynu 503/2, P1 Mala Strana	257 286 147	muzeum	www	
Muzeum Antonina Dvoraka	Ke Karlovu 20, P2 Nove Mesto	224 918 013	muzeum	www	
Muzeum Bedricha Smetany	Novotneho Lavka 1, P1 Stare Mesto	222 220 082	muzeum	www	
Muzeum hraček	Jirská 6, P-1 Hradcany	224 372 294	muzeum	www	
Muzeum Komunismu	Na Příkopě 10, P1		muzeum	www	
Muzeum Loutek	Karlova 12, P-1		muzeum	www	
Mucha Muzeum	Panská 7, P-1		muzeum	www	



## Appendix 19: Name Memorising Techniques

### Top Tips 9 Simple Tricks to Remember Names

**1. REPEAT, REPEAT, REPEAT:** The most surefire strategy is to repeat the person's name--both in your head, and out loud--as soon as possible after you've been introduced. Occasionally use the person's name in conversation. "Pleasure to meet you, Bob," or "Bob, so good to see you." Don't overdo it, of course, but don't worry that Bob will recoil, either. Every guest would rather you remember his name than not.

**2. IMAGERY:** Turn someone's name into an image that you can remember. When you meet Clare think of an ocean.

**3. SPELL IT OUT:** Another imagery-based tactic: Ask someone to spell out his or her name. If you can picture the letters in your mind, you'll have a better chance of remembering the name. A derivation on that: Imagine the person's name written across his forehead, like a billboard.

**4. CONNECT:** Try to associate names with things people tell you about themselves (careers, hobbies) that will trigger the sound or association of the name in your mind. Mrs Riviera is stood near a river, Mr White is dressed all in White, and you get the idea.

**5. PUT PEN TO PAPER:** It's not enough to write down a person's name as soon as possible after meeting them. Record the name in a "new contacts" file, and include when and where you met.

**6. SPEAK UP:** Embarrassing as it seems, don't be afraid to ask someone to repeat his or her name. Start out with a compliment, such as "I've been so interested in talking with you, and I've completely forgotten your name." If you realize you've blanked on a name a few seconds after introduction, just say "I'm sorry, I missed your name."

**7. PRIME THE PUMP:** You spy a person, whose name you've forgotten, making her way toward you. What to do? If you're speaking with someone you know, introduce them right off the bat. The newcomer will probably introduce herself on her own. Problem solved.

**8. FIND THE TRIGGER:** Try to associate names with things people tell you about themselves (careers, hobbies) that will trigger the sound or association of the name in your mind.

**9. WORD PLAY:** Let the words do the work for you. Mnemonic devices (Dale works in sales) work nicely, as does alliteration (Joann from Jersey).



Appendix 20: Pop up Restaurant







## Appendix 21: Daily News



# DAILY NEWS

9th August 2013

**QUALIDADE 87%**

**OCUPAÇÃO - 82.05%**

**Guest of the Day:**  
Mr. *Raphael Reiter*

**Duty Manager**



**Empregado do mês**



**Aniversario**



### PROMOÇÕES

**Nova Parceria: Guia da Smartbox  
"Mesas & Sabores"**





**Smartbox**

**Tipo de Prestação:** Um jantar – entrada, prato, sobremesa, bebida e café – para 2 pessoas.  
Preço: 59,90 €

### WHAT'S ON



**Banda Qbasón**  
21:30 – 23:30

**Cocktail do dia**  
Mojitos & Daiquiris

### DICA DO DIA



*Preste atenção ao detalhe...*

Appendix 22: Idea Box



## Appendix 23: Food and Beverage Suppliers Showcase

### DESSERTS

£8

Syllabub, Brandy Snaps and Sugared Almonds (N)

Poached Pear Williams Belle Helene, Mulled Wine and Cinnamon Cream (N)

Cranberry and Apple Tart, Almond Meringue (N)

Winter Fruit Trifle, Ginger Wine, Chocolate and Yoghurt Coated Biscuit

Open Jaffa Cake, Mandarins and Chocolate (N)

Vacherin Mont Blanc, Candied Chestnuts and Brandy Cherries (N)

House Made Ice Cream and Sorbet Selection, Cookies (N)

*Please be aware that chocolate items may contain traces of nuts*



### CHEESE SELECTION

£12

*Cheeses are supplied to us by Eric Charriaux and Amnon Paldi from La Cave à Fromagerie in West London.*

*A selection of the finest seasonal artisanal cheeses we produce in the British Isles.*

### DAMIAN ALLSOP CHOCOLATES

*Damian Allsop has re-invented chocolate by using water to unlock true flavour.*

*By using this method it is possible to have a chocolate that is lighter, purer and fresher in taste.*

#### TRUFFLES

*Raspberry and Basil, Salted Muscavado Caramel, Hazelnut Crunch (N), Fresh Mint*

#### CLOUDS

*Banana and Passion, Red Fruit and Vanilla, Freeze Dried Raspberry, Ginger and Yoghurt*

Fifty grammes £8


One hundred grammes £16

*All chocolates may contain traces of nuts*

(V) Vegetarian (Vg) Vegan (N) May contain nuts

Should you have any questions regarding the content or preparation of any of our food please ask one of our team.

All prices are inclusive of 20% VAT. A 12.5% discretionary service charge will be added to your final bill.

Appendix 24: Exit Interview Form

**EXIT SURVEY**

**PRIVATE & CONFIDENTIAL**

The purpose of the exit survey is to identify opportunities for improving the company's ability to respond to factors which impact our colleague's motivation in the work place.

We would therefore be most grateful if you could complete this questionnaire as constructively as possible and return it to the HR & Talent Team.

Please rest assured of our full confidentiality.

Name of Colleague: \_\_\_\_\_

Date: \_\_\_\_\_

Job Title: \_\_\_\_\_

Department: \_\_\_\_\_

Start Date: \_\_\_\_\_

Last Working Day: \_\_\_\_\_



1. Do you feel that the job description given to you when you took the job on accurately describes the role?

☐ Strongly Agree ☐ Agree ☐ Disagree ☐ Did not receive a job description

2. Did you feel that you had an acceptable workload in your role?

☐ Agree- I felt there was mainly acceptable workload ☐ Disagree- I felt mainly underworked  
☐ Disagree- I felt mainly overworked

3. How would you describe the physical working conditions in your department?

☐ Excellent ☐ Good ☐ Fair ☐ Poor ☐ Not Applicable

Comments:

.....  
 .....  
 .....

4. How would you describe team morale in your department?

☐ Excellent ☐ Good ☐ Fair ☐ Poor

Comments:

.....  
 .....  
 .....

5. Who is your line manager? .....

5.1 Did your line manager:	Always	Often	Sometimes	Never
Explain tasks properly				
Give adequate instructions				
Give adequate help/advice where required				
Listen to your/ team suggestions				
Show fair/unbiased treatment				
Provide constructive feedback on your performance				
Conducted appraisals				
Give praise where due				
Keep you informed about your progress				
Know and follow the hotel policies and procedures				

6. How would you describe your working relationship with your colleagues/ team?

☐ *Excellent*   ☐ *Good*   ☐ *Fair*   ☐ *Poor*

Comments:

.....

.....

.....

7. How did you feel about the level of communication within your team/department?

☐ *Excellent*   ☐ *Good*   ☐ *Fair*   ☐ *Poor*

Comments:

.....

.....

.....

8. Do you have any suggestions as to how communication in the hotel could be improved? If so, have you raised them in the past with your line manager?

.....

.....

.....

9. Do you feel that the right training was available to you to develop your career within the hotel?

☐ *Yes*   ☐ *No*   ☐ *I didn't receive any training*

Comments:

.....

.....

.....

10. How do you feel about your work-life balance while working for the hotel?

☐ *Excellent*   ☐ *Good*   ☐ *Fair*   ☐ *Poor*


Comments:

.....

.....

.....





11. Company facilities/services					
How would you rate the following aspects of working at the Company?	Very good	Good	Average	Poor	Very poor
Work equipment					
IT services					
HR services					
Staff Restaurant facilities					
Sport/social committee					
First aid					
Security					

Comments:

.....

.....

.....

12. What are the reasons for leaving the Company? *Please mark more than one if necessary*

☐ Higher Pay  
☐ Benefits  
☐ Better job Opportunity  
☐ Commute  
☐ Conflict with other employees  
☐ Conflict with managers  
☐ Family and personal reasons  
☐ Relocation/move  
☐ Career Change  
☐ End of Fixed Term Contract  
☐ Other- Please specify

.....

13. If you are moving to another job, for which company will you be working? What will the role be?

.....

.....

.....

14. Please use this space for any further comments on your decision to leave the Company.

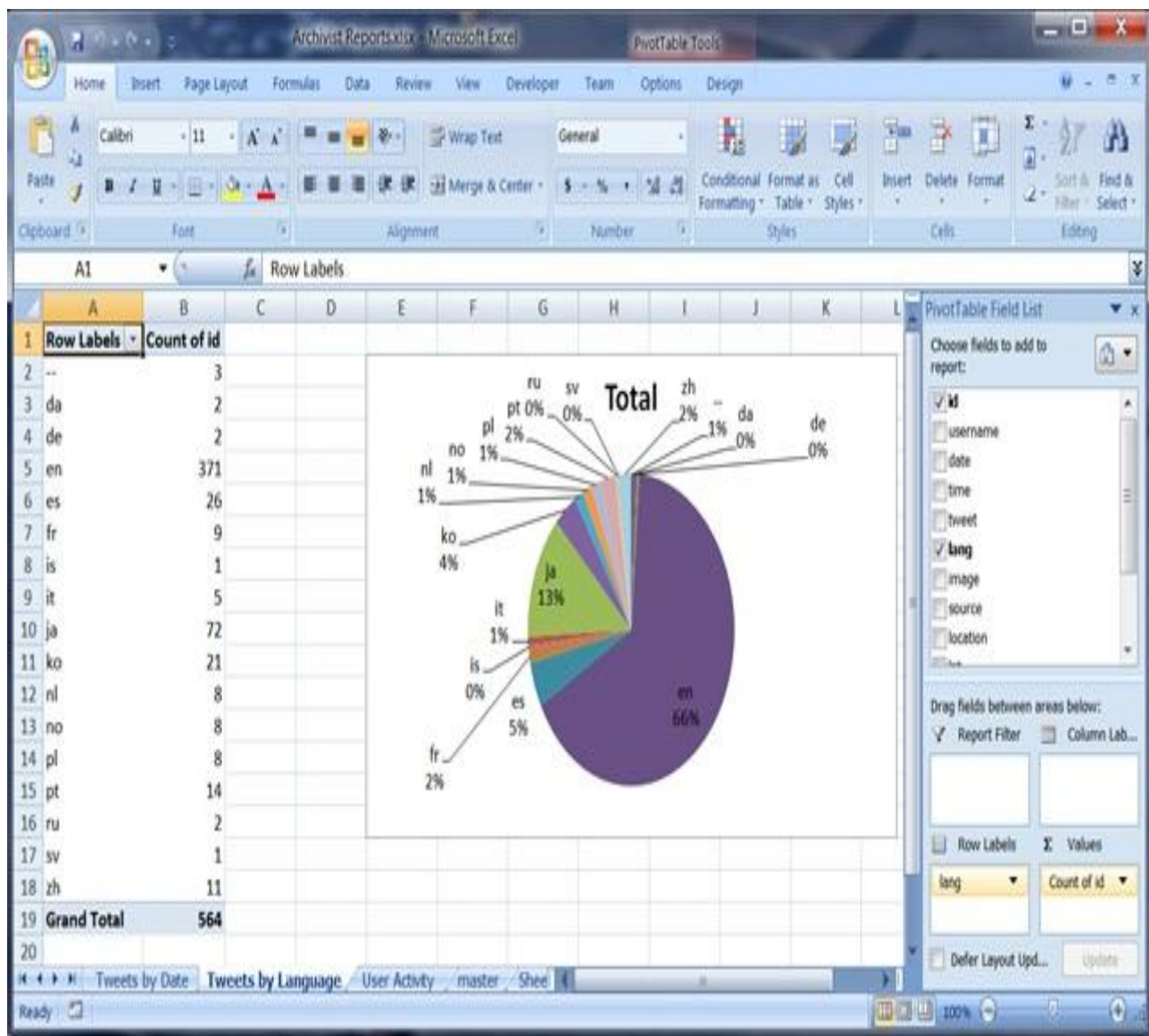
.....

.....

.....

*Thank you for taking the time to complete this survey.*  
*We wish you all the best in your future role*  
**The HR & Talent Team**

## Appendix 25: Excel Accounting Template



## Appendix 26: Automated Accounting Template

HM REV. Template1.xls [Compatibility Mode] - Microsoft Excel

File Home Insert Page Layout Formulas Data Review View Add-Ins

Paste Font Alignment Number Styles Cells Editing

Clipboard Font Alignment Number Styles Cells Editing

D40 fx =B40-C40

Journal	00/05/2013	EXPRESS
Date		
Period	2013/005	CLEANUP
Description	00 05	
OANDA		
FXC RATE	0.8	
From Euro to £		

Rev Micros - Dates !!!  
 TB Opera -  
 JR Opera -  
 Dis. Micros -  
 DRR £0.00

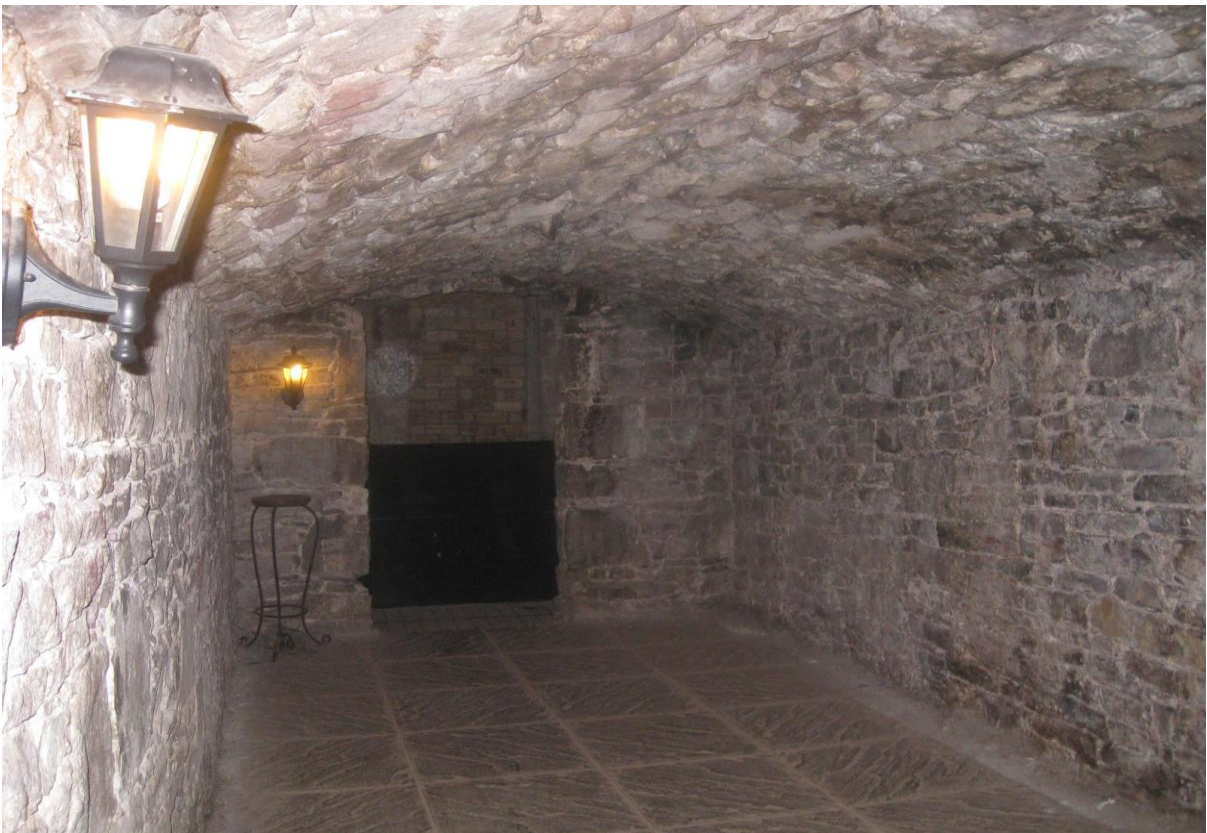
Stats	TB	Variances	Discounts
Room Revenue	-	-	-
Food & Beverage	Micros	Opera	Variances
Conference Event	-	-	-
Room Service	-	-	-
Spa Lounge	-	-	-
Minibar	-	-	-
Others	TB	Jr	Variances

200.00

CODES Instructions COVERS Organizer XML TB XML Stats XML Journal XML Micros DISCOUNT Micros Comps XML Micros



Appendix 27: Storage Vaults



## Appendix 28: Food and Beverage Flyer



Appendix 29: Room Service Card



Dear Guest,  
As per your request, our IT department has been to your room  
and has repaired the reported problem.

If you require further assistance please do not  
hesitate to contact us on extension 4111.

---

THE IT ENGINEER





Appendix 30: Monthly Cultural Agenda



WHAT'S ON IN LISBON &  
AT THE LUXURIA HOTEL

MONUMENTS

AQUEDUTO DAS ÁGUAS LIVRES

When: Tuesday to Saturday from 10:00 am to 05:30 pm  
Entrance: 2€

How to get there:

Location: Campolide

Transport: Bus: 712, 758

BASÍLICA DA ESTRELA

When: Everyday from 08:30 am to 06:00 pm

How to get there:

Location: Estrela

Transport: Bus: 709, 713 | Tram: E25; E28

CASTELO DE SÃO JORGE

When: March to October from 09:00 am to 09:00 pm (last entrance at 08:30 pm). Tower of Ulysses from 10:00 am to 5:00 pm  
Entrance:

Normal Ticket	7,50 €
Student Ticket (<25)	4,00 €
Family Ticket	16,00 €
People with disabilities	4,00 €
Senior (>65)	4,00 €

Family Ticket: 2 Adults + 2 Childs (<18)

How to get there:

Location: Castelo

Transport: Bus: 737| Tram: E28

MONUMENTOS

AQUEDUTO DAS ÁGUAS LIVRES

Quando: Terça a Sábado das 10:00 às 17:30  
Entrada: 2€

Como chegar:

Localização: Campolide

Transportes: Autocarro: 712, 758

BASÍLICA DA ESTRELA

Quando: Todos os dias das 08:30 às 18:00

Como chegar:

Localização: Estrela

Transportes: Autocarro: 709, 713 | Elétrico: E15; E28

CASTELO DE SÃO JORGE

Quando: Março a Outubro das 09:00 às 21:00 (última entrada às 20:30). Torre de Ulisses das 10:00 às 17:00  
Entrada:

Bilhete Normal	7,50 €
Estudantes	4,00 €
Bilhete Familiar	16,00 €
Mobilidade reduzida	4,00 €
Senior (>65)	4,00 €

Bilhete Familiar: 2 Adultos + 2 Crianças (<18)

Como chegar:

Localização: Castelo

Transportes: Autocarro: 737| Elétrico: E28



## MUSEUMS

### MUSEU ARQUEOLÓGICO DO CARMO

When: Tuesday to Sunday and October to May from 10:00 am to 06:00 pm.

Tuesday to Sunday and June to September from 10:00 am to 07:00 pm

How to get there:

Location: Chiado

Transport: Tram: E28 | Subway: Baixa-Chiado

### MUSEU CALOUSTE GULBENKIAN

When: Tuesday to Sunday from 10:00 am to 06:00 pm

How to get there:

Location: Praça de Espanha

Transport: Bus: 716, 718, 726, 742, 746, 756

Subway: Praça de Espanha, São Sebastião

### MUSEU COLECÇÃO BERARDO

When: Tuesday to Sunday from 10:00 am to 07:00 pm

Entrance: Free

How to get there:

Location: Belém

Transport: Bus: 714, 727, 728, 729, 751 | Tram: E15

### MUSEU DA CIDADE

When: Tuesday to Sunday from 10:00 am to 01:00 pm and 02:00 pm to 06:00 pm. Closed on Mondays and Public Holidays

Entrance: 2€

## MUSEUS

### MUSEU ARQUEOLÓGICO DO CARMO

Quando: Terça a Sábado e Outubro a Maio das 10:00 às 18:00  
Terça a Sábado e Junho a Setembro das 10:00 às 19:00

Como chegar:

Localização: Chiado

Transportes: Elétrico: E28 | Metro: Baixa-Chiado

### MUSEU CALOUSTE GULBENKIAN

Quando: Terça a Domingo das 10:00 às 18:00

Como chegar:

Localização: Praça de Espanha

Transportes: Autocarro: 716, 718, 726, 742, 746, 756

Metro: Praça de Espanha, São Sebastião

### MUSEU COLECÇÃO BERARDO

Quando: Terça a Domingo das 10:00 às 19:00

Entrada: Free

Como chegar:

Localização: Belém

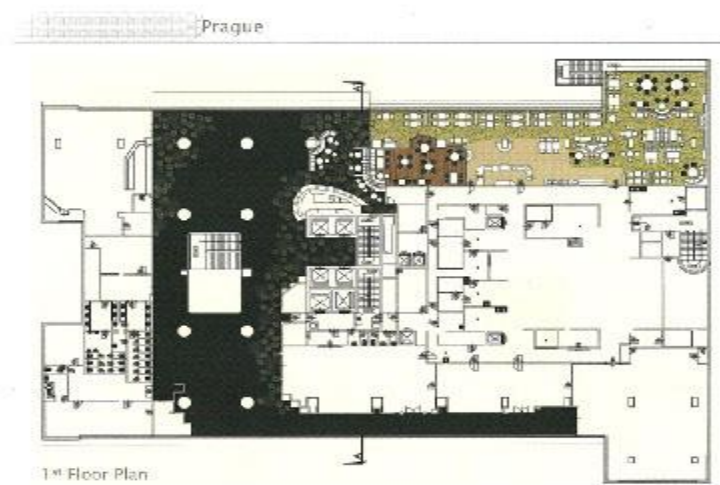
Transportes: Autocarro: 714, 727, 728, 729, 751 | Elétrico: E15

### MUSEU DA CIDADE

Quando: Terça a Domingo das 10:00 à 13:00 e das 14:00 às 18:00.  
Encerra às Segundas e Feriados

Entrada: 2€

## Appendix 31: Lobby/Restaurants Refurbishment Project

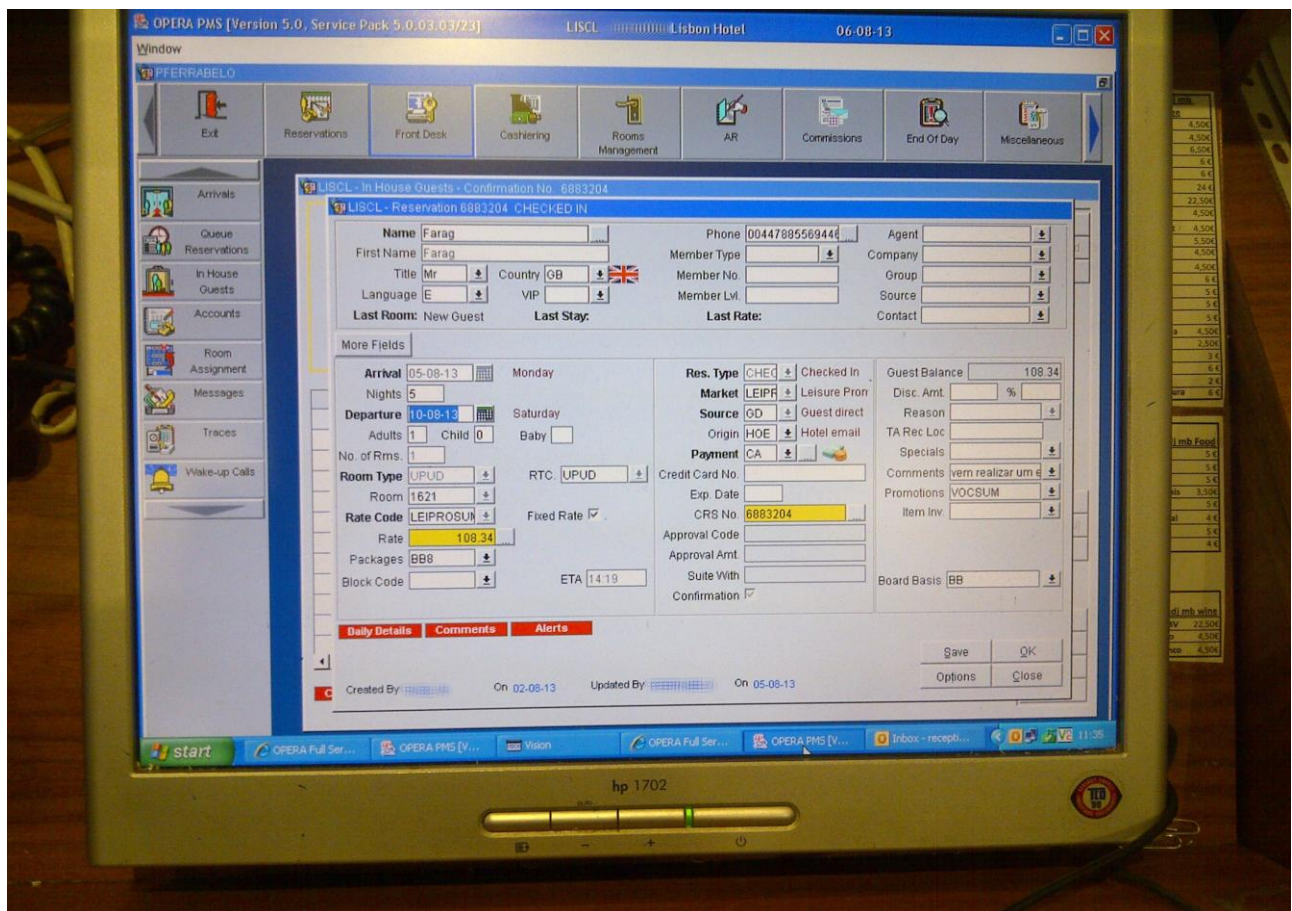
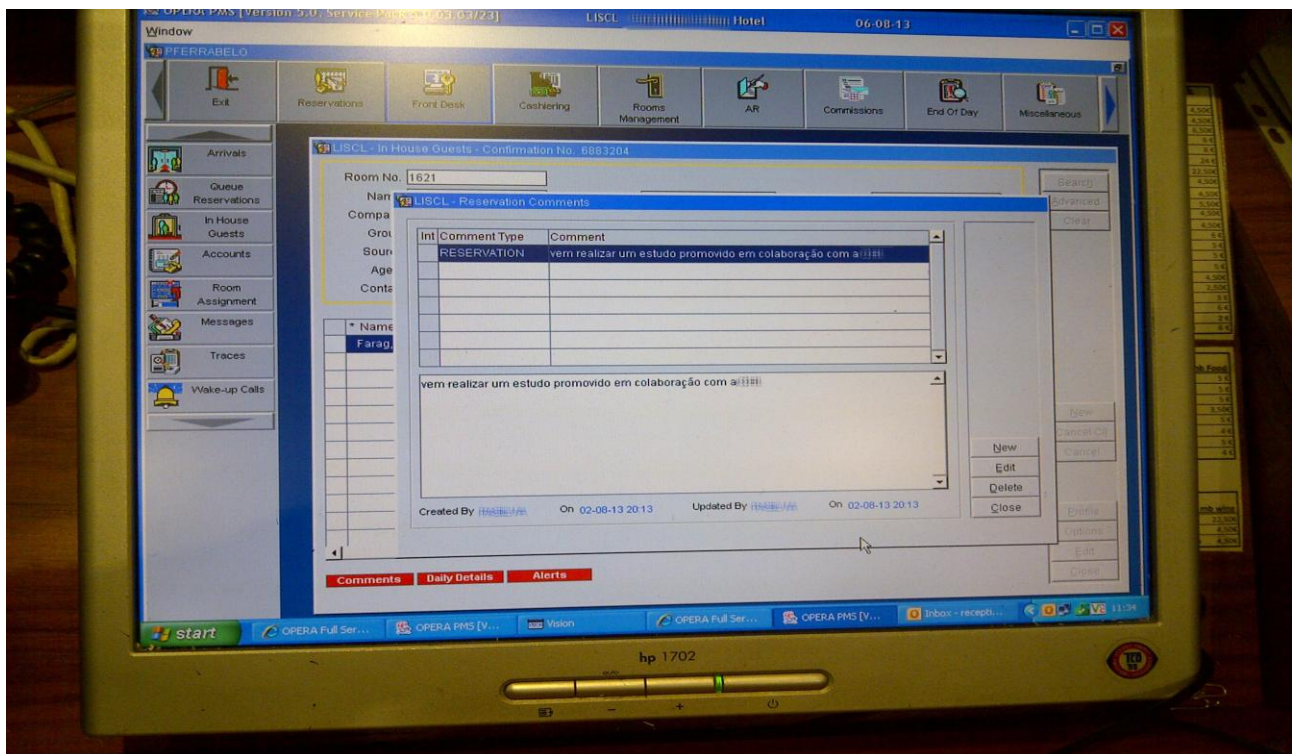








## Appendix 32: Guest Remarks on Opera Software





Appendix 33: Team Building Events





Appendix 34: Food and Beverage Monthly Department Meeting

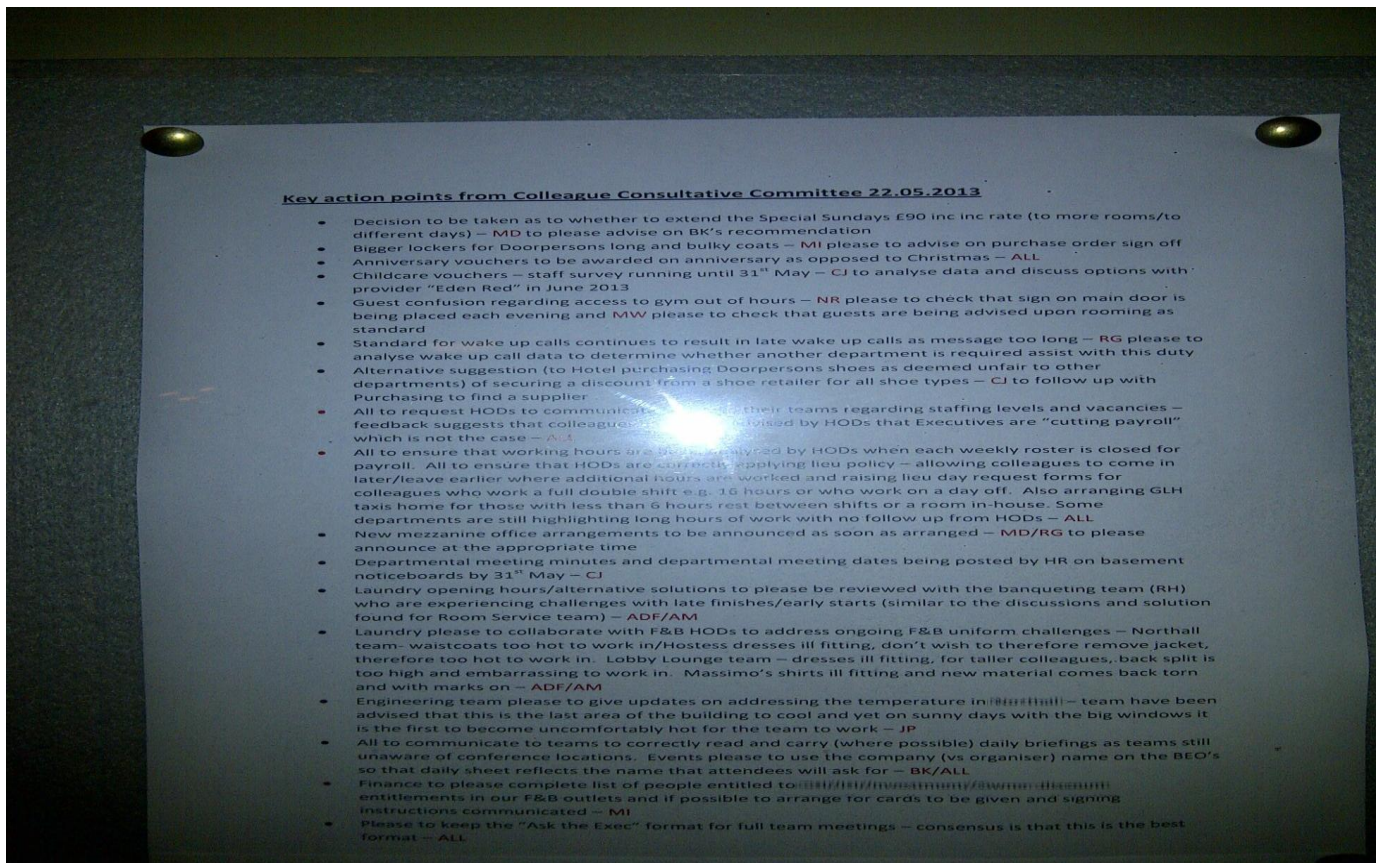


Appendix 35: Social Club Events





## Appendix 36: Consultative Committee Meeting Minutes

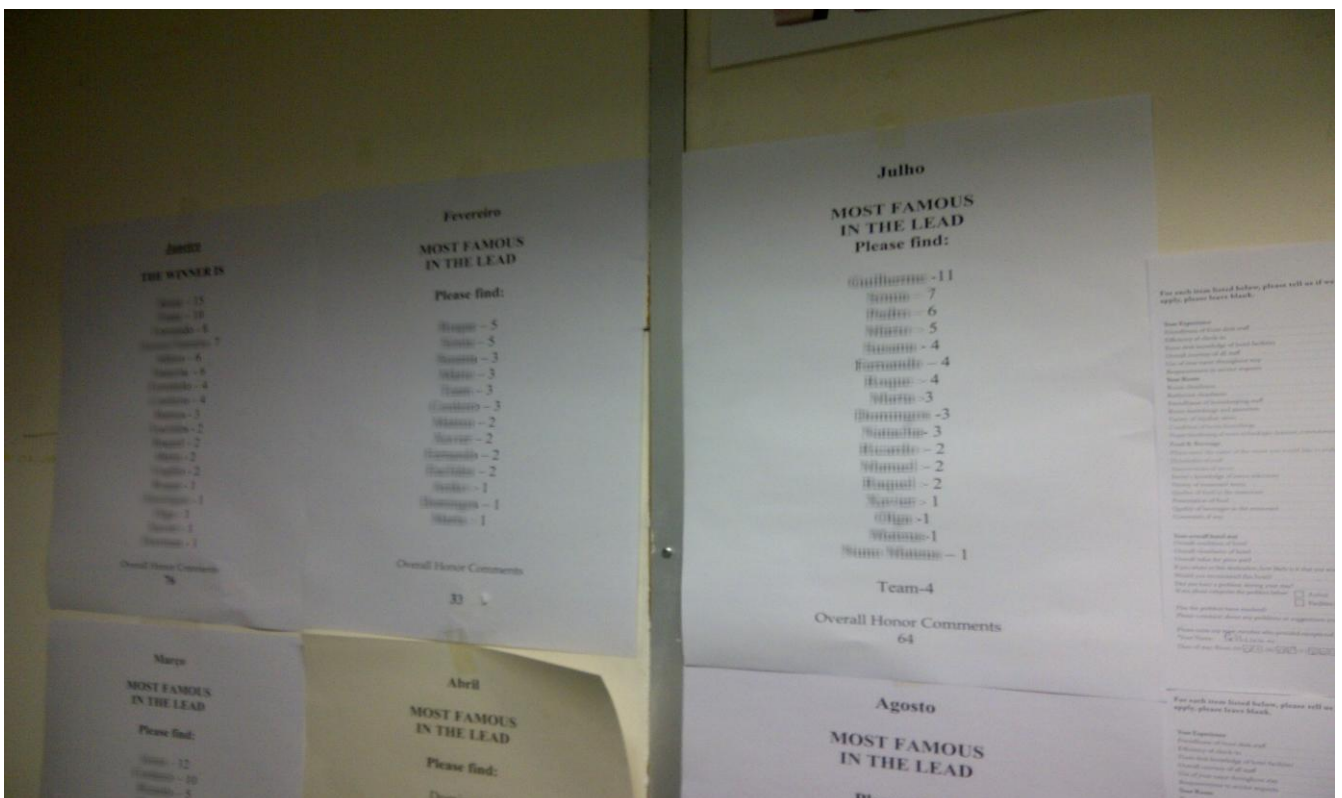




Appendix 37: Social Committee Events



# Appendix 38: Wall of Fame





Appendix 39: Employee of the Year Award Nomination



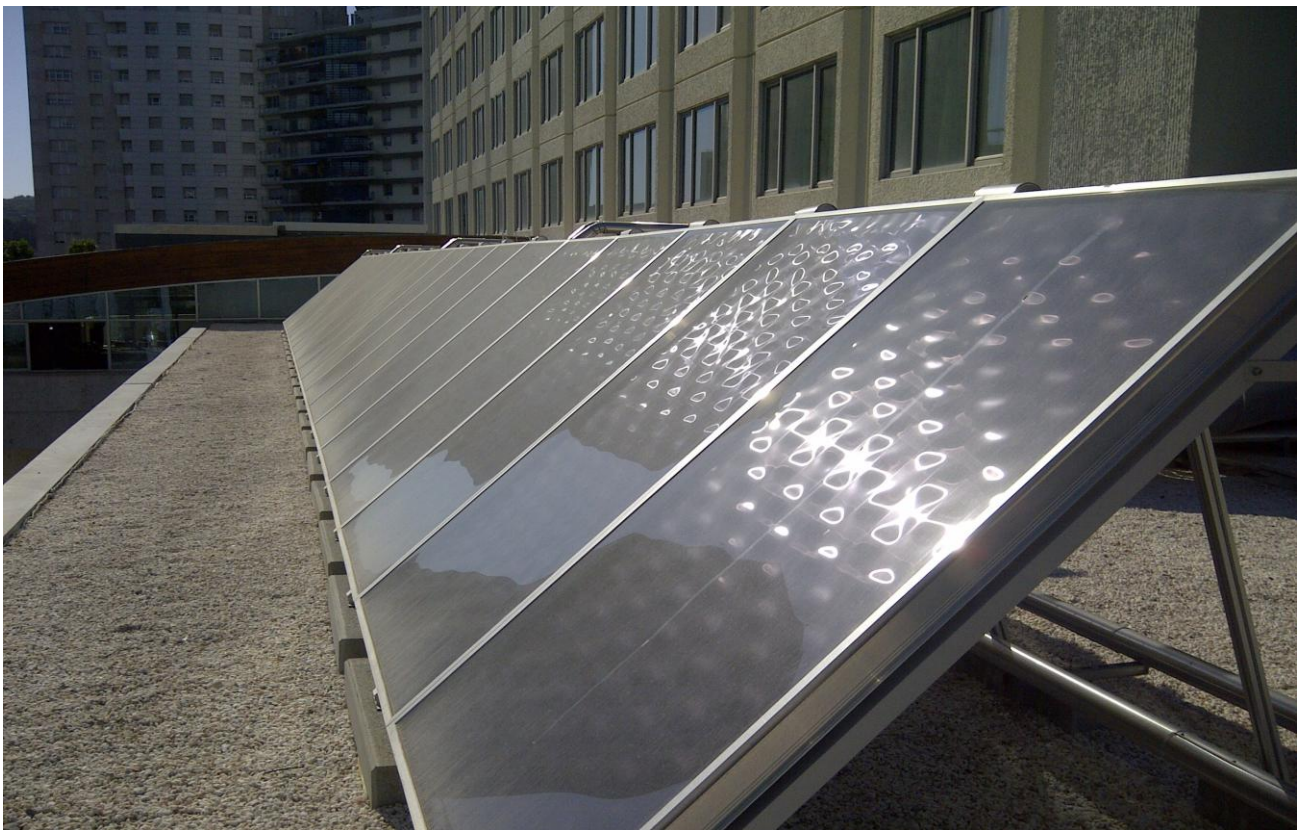
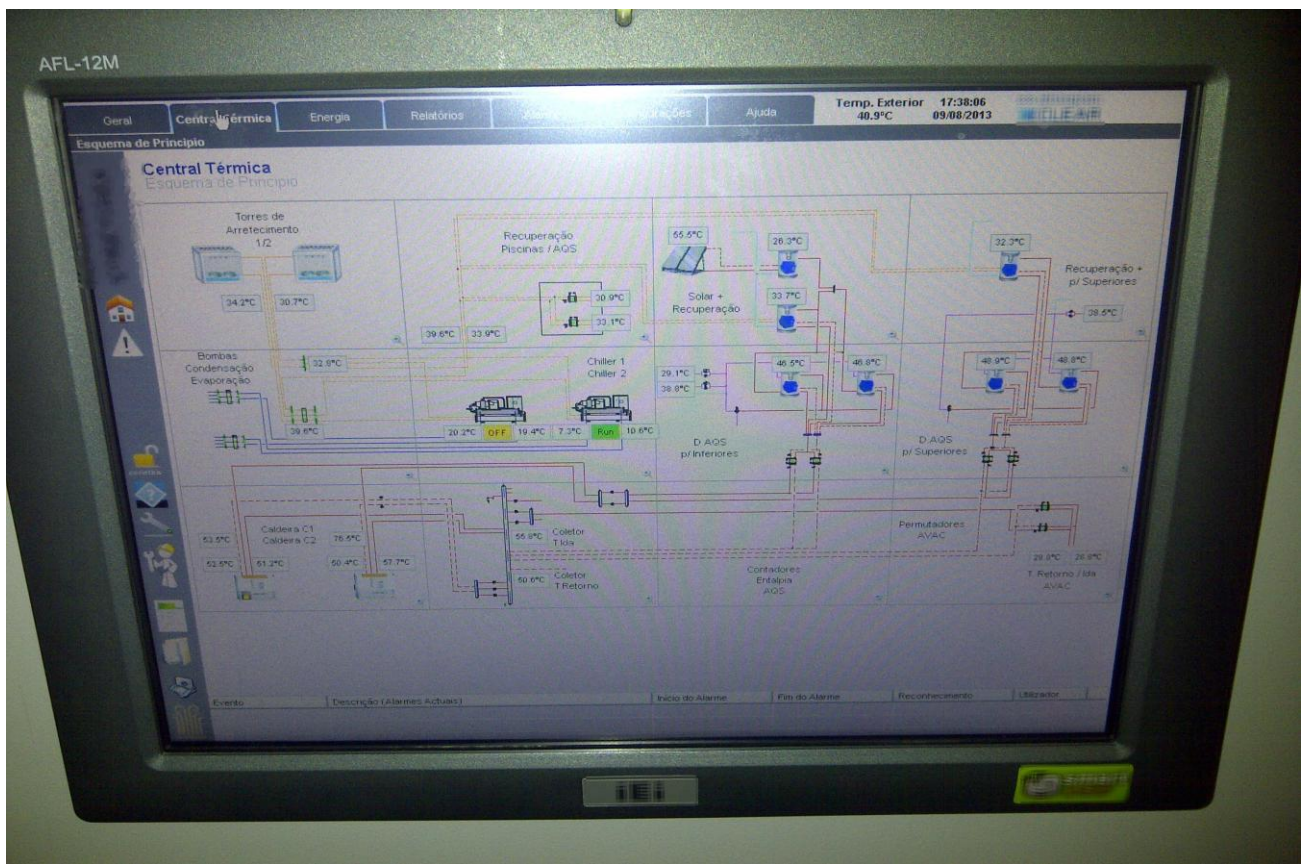


Appendix 40: Olympians Wall of Fame





## Appendix 41: Energy Efficient Hotel







Appendix 42: Mizar Prague Hotel Cafe Bar B Smoking Terrace





## Appendix 43: Digital Menu

